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

2021 ANNUAL REPORT 年度報告

CONTENTS

I. Corporation Information

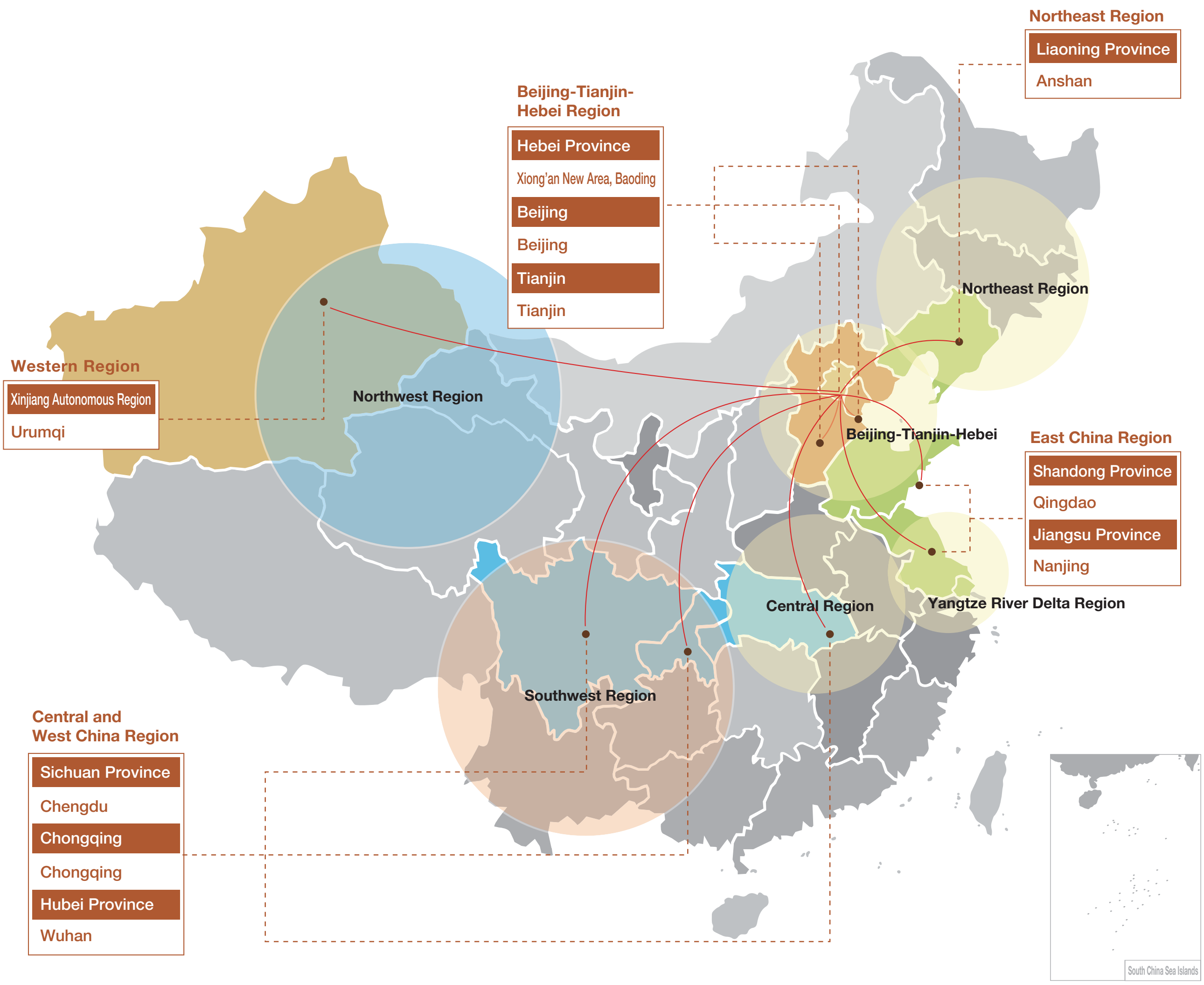
Beijing Capital Jiaye Property Services Co., Limited ("**Capital Jiaye**" or the "**Company**") was jointly founded by Beijing Urban Construction Group Co., Ltd. ("**BUCG**") and Beijing Tianjie Group Co., Ltd. ("**Tianjie Group**"), a state-owned company of Dongcheng District in Beijing, on 22 December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

Capital Jiaye and its subsidiaries (the "**Group**") have a total property area under management of more than 31.6 million sq.m. and operate a diversified range of properties, including office buildings, public buildings, hospitals, residences, and office buildings of party or government organizations, etc. Representative projects include the National Stadium (Bird's Nest), office buildings in the sub-center of city, headquarters of large central enterprises, hutongs in the east and west of Beijing, etc. In addition to the basic business, the value-added business covers housing brokerage, case field service, property management on construction sites, catering services, heating energy supply operation, move-in and furnishing services.

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) and vice president institution of the Beijing Property Management Association (北京物業管理協會), and the subsidiaries are member units of Union International Concierge Organization (國際金鑰匙聯盟). The Group has been recognized as one of the Top 100 Property Management Companies and China's Leading Property Management Company for Featured Service (中國特色物業服務領先企業) by CIA for consecutive years. The Group has also been awarded numerous honorary titles, such as Enterprise with the Highest Growth Potential in China's Property Management Industry (中國物業管理最具成長潛力企業) by China Property Management 《中國物業管理》. The Group ranked 3rd in "Beijing TOP10" among Excellent Property Service Enterprises in China's Major Cities in 2021 and ranked 24th among China's Top 100 Property Management Companies in 2021.

I. Corporation Information

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



I. Corporation Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Xie Ping
Mr. Mao Lei

Independent Non-executive Directors

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

BOARD COMMITTEE

Audit Committee

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

REMUNERATION AND EVALUATION COMMITTEE

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

NOMINATION COMMITTEE

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

STRATEGY AND INVESTMENT COMMITTEE

(renamed as Strategy and Investment and ESG Committee on 29 March 2022)
Mr. Zhang Weize *(Chairman)*
Mr. Yang Jun
Mr. Luo Zhou
Mr. Mao Lei
Mr. Kong Weiping

RISK AND COMPLIANCE MANAGEMENT COMMITTEE

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

SUPERVISORY COMMITTEE

Mr. Liu Fengyuan *(Chairman)*
Mr. Wang Wei *(appointed on 28 June 2021)*
Ms. Bian Xiaodong *(resigned on 28 June 2021)*
Ms. Liu Fang

JOINT COMPANY SECRETARIES

Mr. Xu Lude
Ms. Mok Ming Wai

AUTHORIZED REPRESENTATIVES

Mr. Zhang Weize
Ms. Mok Ming Wai

AUDITOR

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

I. Corporation Information

LEGAL ADVISER

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

COMPLIANCE ADVISER

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

PRINCIPAL BANK

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

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

54/F, Hopewell Centre, 183 Queen's Road East,
Wan Chai, 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: jcjy@bcjps.com

COMPANY'S WEBSITE

www.bcjps.com

STOCK CODE OF HONG KONG STOCK EXCHANGE

02210

II. Financial Summary

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

	For the year ended 31 December	
	2021	2020
Revenue (RMB million)	**1,224.6**	1,090.6
Gross profit (RMB million)	**272.6**	226.5
Gross profit margin	**22.3%**	20.8%
Profit for the year (RMB million)	**84.1**	68.8
Net profit margin	**6.9%**	6.3%
Profit for the year attributable to equity shareholders of the Company (RMB million)	**82.8**	57.5
Basic earnings per share (RMB)	**0.72**	0.56
Return on shareholders' equity (weighted average)	**15.0%**	15.2%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December	
	2021	2020
Total assets (RMB million)	**1,831.1**	1,582.2
Cash and cash equivalents (RMB million)	**1,087.3**	747.0
Total equity (RMB million)	**704.2**	414.1
Debt-to-asset ratio	**61.5%**	73.8%

III. Events and Awards during the Year

EVENTS DURING THE YEAR

Independent research and development of "management system of public service of immediate handling upon receipt of complaint" in January 2021

In January, Capital Jiaye independently developed management system of public service of immediate handling upon receipt of complaint. This system adopted the parallel processing mode of PC + WeChat mini program, which greatly improves the efficiency of work order handling and enables Capital Jiaye to "track, address and supervise each complaint, record each response" 7×24-hour anytime anywhere.

Set up Safety Production Management Committee in February 2021

In February, Capital Jiaye set up a Safety Production Management Committee, and build its "general safety pattern" in accordance with the requirements of "safety-based business, production and operation".

Joined the Golden Keys International Alliance in April 2021

In April, Capital Jiaye's subsidiaries were admitted to the Golden Keys International Alliance to promote the Company's case field service to further integrate with international standards and improve the Company's professional service level.

The first conference for commendation and reporting meritorious deeds of "Top Ten Property Management Project Managers" and "Top Ten Service Stars" was held in June 2021

In June, Capital Jiaye held the first conference for commendation and reporting meritorious deeds of "Top Ten Property Management Project Managers" and "Top Ten Service Stars", and commended the outstanding contributions of front-line employees in their work, so as to guide and motivate employees to be active in their work and entrepreneurship.

Capital Jiaye entered into the Strategic Cooperation Framework Agreement with Pinggu District People's Government of Beijing Municipality in July 2021

In July, Capital Jiaye entered into the Strategic Cooperation Framework Agreement with Pinggu District People's Government of Beijing Municipality to make beneficial exploration and practice in promoting the "making its contributions to rural undertakings" between government and enterprises, and further expand the field of value-added services.

Capital Jiaye was named vice president unit of Beijing Property Management Association and a member unit of Beijing Construction Association from July 2021 to August 2021

In July, Capital Jiaye was named vice president unit of "Beijing Property Management Association"; In August, Capital Jiaye was named a member unit of "Beijing Construction Association", which provides a new communication platform for further strengthening industry communication and promoting business development.

Capital Jiaye was listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2021

In November, Capital Jiaye was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited, becoming the third listed company established by BUCG Group. It is the first H-share IPO of a state-owned enterprise in Beijing in recent five years, and the first provincial state-owned property management listed company in the Hong Kong market. It comprehensively improves the brand image of Beijing property management business and sets a benchmark for the reform of state-owned enterprises.

III. Events and Awards during the Year

In December 2021, Capital Jiaye and state-owned enterprises affiliated to Yanqing District established Beijing Jiaye Qinglong Property Management Co., Ltd.

In December, Capital Jiaye and enterprises affiliated to Yanqing District jointly made capital contribution to establish Beijing Jiaye Qinglong Property Management Co., Ltd., making a new breakthrough in urban public services and property extension services.

AWARDS

January 2021, "Beijing Youth Commando"

In January, the Hu Baoyu commando of Capital Jiaye was selected as the "Beijing Youth Commando" by the China Communist Youth League Beijing Committee.

January 2021, "2021 Operation Benchmark Project"

In January, Capital Jiaye's Chengjian Plaza project was selected as the "2021 Operation Benchmark Project" by the Commercial Office Research Council.

January 2021, "Financial Real Estate Innovation Award 2021"

In January, the Zhongguancun Capital Building Project of Capital Jiaye was awarded with the "Financial Real Estate Innovation Award 2021" by the CRECC Office Research Council.

January 2021, "Award for Office Buildings with Brand Value in 2021"

In January, the Chengke Plaza (城科大廈) Project of Capital Jiaye was awarded with the "Award for Office Buildings with Brand Value in 2021" by the CRECC Office Research Council.

February 2021, "Top 100 Publicity Demonstration Units in China"

In February, Capital Jiaye's subsidiary was recognized as one of the "Top 100 Publicity Demonstration Units in China" by the Ministry of Housing and Urban-Rural Development.

April 2021, "China's Top 100 Property Management Companies in 2021"

In April, Capital Jiaye was awarded as the "China's Socially Responsible Property Management Services Enterprise of the Year in 2021" and "China Property Management Services Enterprise Featured Brand in 2021 – Property Management Services for Construction Sites" by the China Index Academy. It ranked 24th among China's top 100 property management companies in terms of comprehensive strength in 2021.

April 2021, "National Workers' Vanguard"

In April, the Dongcheng Urban Service Center, a subordinate of Capital Jiaye, was awarded as the "National Workers' Vanguard" by the All-China Federation of Trade Unions.

July 2021, "Anding Circular Economy Park – Benchmark Project for Property Management Services for Construction Sites"

In July, the Anding Circular Economy Park Project of Capital Jiaye was awarded as the "Benchmark Project for Property Management Services for Construction Sites" by the China Index Academy.

July 2021, "National Four Diamond Restaurant"

In July, Capital Jiaye's subsidiary was awarded as the "National Four Diamond Restaurant" by the National Restaurant and Hotel Rating Committee.

III. Events and Awards during the Year

September 2021, "2021 China Property Services Leading Brand in Specialized Operation", "RMB2,700,000,000 in Brand Value of Beijing Capital Jiaye Property Services Co., Limited"

In September, Capital Jiaye was entitled as "2021 China Property Services Leading Brand in Specialized Operation" and "RMB2,700,000,000 in Brand Value of Beijing Capital Jiaye Property Services Co., Limited" by China Index Academy.

November 2021, "The Most Beautiful Group Provider of Property Services", "The Most Beautiful Individual Provider of Property Services"

In November, the Dongcheng Urban Service Center, a subordinate of Capital Jiaye, was honored "The Most Beautiful Group Provider of Property Services" by General Office, Central Commission for Guiding Cultural and Ethical Progress of Ministry of Housing and Urban-Rural Development. Sun Xiuling and Wang Wei, both employees of the Company, were entitled as "The Most Beautiful Individual Provider of Property Services".

December 2021, "Up-to-standard Intelligent Property Management Project"

In December, the project of Capital Jiaye in Longyuewan, Chongqing was entitled as "Up-to-standard Intelligent Property Management Project" by ChongQing Real Property Management Association.

December 2021, "2020-2021 Beijing Youth Model Unit Award"

The municipal administrative center project, Project A3 of Tongzhou as Beijing Municipal Administrative Center, Shanghewan Customer Service Center and other projects of Capital Jiaye were entitled as "2020-2021 Beijing Youth Model Unit Award" by China Communist Youth League Beijing Committee.

IV. Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am delighted to present the annual results of the Group for the year ended 31 December 2021.

2021 REVIEW

2021 was the first year of the "14th Five-Year" Plan, the first full year of operation since our incorporation, and the crucial year for our successful entry into the capital market. In the midst of unprecedented global changes and a once-in-a-century pandemic, we received overwhelming support from colleagues from all walks of life, and brought all staff to be of one heart and mind to press forward with indomitable will. As a result, we, focusing on our main businesses, have achieved new results in our in-depth integration and development, and made new breakthroughs in enhancing our comprehensive strength.

Witnessing sustained steady growth in development indicators

Fully achieving the economic targets set at the beginning of the year. We recorded operating revenue of approximately RMB1,224.6 million, representing an increase of about 12.3% from the same period of 2020. Our gross profit amounted to approximately RMB272.6 million, representing an increase of about 20.4% from the same period of 2020. Our profit for the year was approximately RMB84.1 million, representing an increase of about 22.4% from the same period of 2020. The profit for the year attributable to equity shareholders of the Company amounted to approximately RMB82.8 million, representing an increase of about 43.9% from the same period of 2020. The Board recommended the payment of an annual dividend of RMB0.1581 per share (tax inclusive) for 2021, indicative of the good start of our "14th Five-Year" Plan.

Keeping improving comprehensive strength on a multi-dimensional basis

Efficiently completing the work targets set at the beginning of the year. After official launch of our global offering in February 2021, we were successfully listed on the Main Board of the Stock Exchange in November 2021, making us the first provincial state-owned H-share property management company in Hong Kong. We ranked 24th among "China's Top 100 Property Management Companies in 2021" (「2021中國物業服務百強企業」), won the titles of "China's Socially Responsible Property Management Services Enterprise of the Year" (「中國物業服務年度社會責任感企業」) and "China Property Management Services Enterprise Featured Brand – Property Management Services for Construction Sites" (「中國物業服務特色品牌企業– 施工現場物業化」) and became a member unit of China Property Management Institute and vice president unit of Beijing Property Management Association. All these demonstrated our "national craftsmanship" and our strength, setting a benchmark for the reform and integrated development of state-owned enterprises.

Making greater efforts in market expansion

Sparing no effort to complete the marketing targets established at the beginning of the year. On the basis of deeply developing Beijing, Tianjin and Hebei markets, we, based in the capital city of China, have expanded our presence to nine provinces and cities across the country, including Chongqing, Qingdao, Chengdu and Urumqi, with 31.6 million sq.m. of areas and a total of 190 properties under management as of 31 December 2021. Our service offerings were further diversified. We won new bids for government administrative office building, military logistics camp, urban park, urban street and several other projects. Great efforts were made to promote "case field service", "housing brokerage", "move-in and furnishing services", "children care" and "engineering service", etc. Positioned as a leader and standard-setter in respect of property management service for hutongs, we developed a new mode of property management on construction sites.

Cooperating with multiple parties to contribute to social governance

Continuing to accomplish the strategic goals set by the government. In tune with major national development strategies and national policies, we signed a strategic agreement with Beijing Dongcheng District to upgrade the property management service for hutongs and assist in alleyway management. We established a joint venture company with a state-owned enterprise under the jurisdiction of Beijing Yanqing District to explore old city renovation and urban public services. A strategic agreement was also executed between Beijing Pinggu District and us to launch activities such as the introduction of agricultural and sideline products into the community. On-going efforts were made to efficiently cooperate with governments at all levels to build a gridded anti-pandemic front, so as to fulfil our mission and responsibility of protecting the community and ensure normal operation and production of our customers with professionalism. We made every effort to carry out waste sorting in Beijing, to build Beijing into an eco-friendly home, and achieve sustainable development.

FUTURE PROSPECT

Aiming to become "a provider of China's best-in-class urban and lifestyle services", the Group is set on "creating the best possible brand and value through technological empowerment". In the future, we will seize the opportunities brought by the revolutions in urbanization, technology and capital markets, clarify our development orientation, and assume our responsibilities and missions. We will keep a clear head so that we can identify our strengths and weaknesses, proceed with confidence and strengthen our sense of urgency and responsibility. Our focus will always be on "expanding scale, increasing efficiency, strengthening management and building brand". With a defined "route map" and "mission", we will also prepare a "timetable" and designate the "responsible person" to ensure that the "working drawings" will be turned into the "real sights", thus driving our high-quality development to new heights.

Making steady progress and taking multiple measures to facilitate further scale growth

Efforts will be made to achieve scale expansion, scientifically implement the plan for the use of funds raised, efficiently promote investment, mergers and acquisitions, and actively seek high-quality target companies. Greater efforts will be made to expand the market to make new breakthroughs. The marketing strategies for large customers, large regions and large projects will be put into practice. We will continue to follow up on areas such as army barracks, government public buildings, hospitals, schools and industrial parks to achieve breakthroughs in new business formats including urban operation and urban renewal. We will also increase our efforts to promote construction site property management, constantly expand the scope of services, build pilot benchmarking projects, and establish management standards, service models, package- and menu-based service lists to develop scale business. We will find more scenarios for value-added services and develop new businesses meeting the new needs of owners' living services, urban operation and synergistic development of industrial chains.

Deepening reforms and strengthening management to continuously improve governance

In this regard, we will improve our corporate governance structure and enhance our management and control capabilities. Our basic management, corporate governance, compliance management, as well as our headquarters' leadership capacity will be strengthened to enhance internal integration and improve the management and control power of platform companies. Relevant business divisions will be established in due course, and efforts will be made to promote resource integration and integrative development of our affiliated companies, so as to improve corporate management and control capabilities, compress management levels and reduce the number of inefficient enterprises. We will conscientiously fulfill our information disclosure obligations by disclosing information in a timely, accurate, complete and truthful manner. Moreover, we will continue to do a good job in investor relations, and keep the lines of communication wide open to improve corporate transparency, enhance our image, recognition and investment value in the capital market.

IV. Chairman's Statement

Practicing benchmarking and innovation to continuously improve quality and efficiency

We will proactively benchmark against the key indicators of the industry leaders and listed property management companies to find a balance between efficiency and quality, and build sustainable profitability in the long term. Tighter cost controls will be implemented to reinforce the operation foundation to improve quality and efficiency. In respect of the project-centered operation management, we will reinforce the value orientation of creating benefits by projects, and enhance operational efficiency through technology empowerment to achieve better quality and greater efficiency. The overall digital transformation plan will be sped up for creating smart properties. On the basis of "business digitalization and digital operationalization" strategy, we will develop key digital transformation projects to realize data sharing under the integration of business and financial technology, reduce labor costs, and improve service capability, as well as management and control efficiency. An equity incentive plan will also be launched in a timely manner to build a community for the development of enterprises and talents and enhance the efficiency of corporate talents.

Strengthening concepts and enhancing capabilities to constantly highlight the Beijing service brand

We will increase the recognition of Capital Jiaye through "standardized basic services, personalized value-added services and differentiated brand positioning". Solid progress will be made in community life services under the customer-oriented approach, to create service value for property owners. We will offer standardized, professional, refined, and humanized property services, and strive to be more competitive and stronger to create value for shareholders. In the meantime, our state-owned enterprise background and location advantages will be brought into full play to distinguish ourselves with resource endowments in hutong properties, metropolitan operation services, urban renewal and upgrade and renovation of old neighborhoods, and develop leading competitive strengths in the Beijing-Tianjin-Hebei region. We will provide "Beijing service" as a "red housekeeper", build a highland of property service value and enhance the brand value of Capital Jiaye.

Set to win at the start, we will continue to promote the high-quality development of the company and devote ourselves to building a clear, healthy, vibrant, respected and influential company in the industry. Finally, on behalf of the Group, I would like to express my sincere gratitude to the Group's shareholders, customers, and suppliers for their support and trust and to all our management team and employees for their perseverance and dedication !

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

Beijing, the PRC
29 March 2022

INDUSTRY ANALYSIS

Driven by such factors as policy, demand, supply and capital market, the entire property management industry has maintained good momentum, which is characterized by scaling up, professionalization, standardization and intellectualization, and it has been an industry where "scale matters and the strong will be strong forever".

The nature of the industry remains unchanged, and the long-term investment value of property management companies is still desirable

The property management industry is transforming and upgrading towards modern service industry with huge market space in the future. Property management companies with large scale, good growth potential and strong profitability still bear the value for long-term investment.

Scale expansion will continue with acceleration in market differentiation

The market concentration of the property management industry has increased significantly, and the "Matthew Effect" comes into play in the industry with acceleration in market differentiation. Companies with large scale are in continuously rapid growth, while small and medium-sized property management companies have to overtake competitors on a bend.

Diversity in various operation and service scenes with increasing maturity in business models

Connecting numerous "the last kilometer", the property management industry is the foundation of society primary-level governance. The traditional "four guarantees" service and diversified value-added services can more effectively satisfy people's "increasing needs for a better life".

BUSINESS REVIEW

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

Property management services: accounting for approximately 65.9% of total revenue

For the year ended 31 December 2021, the Group's revenue from property management services amounted to approximately RMB806.9 million, representing an increase of approximately 10.1% as compared to the same period in 2020, mainly due to the increase in the area of properties projects under management of the Group.

The following table sets forth the changes in the contract management area of the Group for the periods indicated:

	As of 31 December					
	2021		2020			
Source of projects	**Contract management area sq.m. in thousands**	**Proportion of contract management area %**	Contract management area sq.m. in thousands	Proportion of contract management area %	Area increased in the period sq.m. in thousands	Growth rate %
Related parties	**21,427**	**62.9**	19,005	61.4	2,422	12.7
Third parties	**12,651**	**37.1**	11,954	38.6	697	5.8
Total	**34,078**	**100.0**	30,959	100.0	3,119	10.1

The steady development and support of BUCG and BUCID, and BUCC who are controlling shareholders of the Company and leading construction companies in the PRC, have brought the Group sustained business increment. As of 31 December 2021, the contract management area from the BUCG and its related parties was approximately 21.4 million sq.m., representing an increase of approximately 2.4 million sq.m. of contract management area as compared to 31 December 2020.

In terms of bidding, during the year, the Group increased its efforts for market expansion, enhanced its service quality, built up its brand image and actively participated in market competition, achieving 10 newly signed third-party contract projects, with a contract amount of approximately RMB53.2 million in a single year (excluding renewal projects).

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

	As of 31 December					
	2021			2020		
Source of projects	**Area under management sq.m.'000**	**%**	**The number of projects under management**	Area under management sq.m.'000	%	The number of projects under management
Related parties	**18,762**	**59.3**	**124**	17,944	61.7	118
Third parties	**12,875**	**40.7**	**66**	11,132	38.3	57
Total	**31,637**	**100.0**	**190**	29,076	100.0	175

As of 31 December 2021, the area under management of the Group amounted to approximately 31.6 million sq.m., of which the area under management from projects of BUCG and its related parties amounted to approximately 18.8 million sq.m., and the area under management from third party projects amounted to approximately 12.9 million sq.m..

The Group accelerated its diversification and multi-business development strategy to promote further growth of non-residential businesses based on the steady growth of residential management scale. As of 31 December 2021, the area under management of non-residential properties was approximately 9.5 million sq.m., representing 30.1% in the management scale of the Group. During the year, management revenue from non-residential properties amounted to approximately RMB376.4 million, accounting for approximately 46.7% of the total revenue from property management services of the Group and an increase of 8.4% compared to the same period in 2020.

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

	As of 31 December									
	2021					2020				
Project source	**Revenue**		**Area under management**		**The number of projects under management**	Revenue		Area under management		The number of projects under management
	RMB'000	**%**	**sq.m.'000**	**%**		RMB'000	%	sq.m.'000	%	
Residential properties	**430,415**	**53.3**	**22,109**	**69.9**	**125**	385,596	52.6	20,509	70.5	118
Non-residential properties	**376,441**	**46.7**	**9,528**	**30.1**	**65**	347,390	47.4	8,567	29.5	57
Total	**806,856**	**100.0**	**31,637**	**100.0**	**190**	732,986	100.0	29,076	100.0	175

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 year, the Group improved its operation efficiency through standardized services and customized value-added service system to stabilize the service quality. As of 31 December 2021, the area of the residential properties under management of the Group was approximately 22.1 million sq.m., accounting for approximately 69.9% of the total area under management of the Group. For the year ended 31 December 2021, the revenue from management service for residential properties amounted to approximately RMB430.4 million, representing an increase of approximately 11.6% as compared to the same period in 2020 and accounting for approximately 53.3% of the Group's total revenue from property management service.

In respect of commercial properties, the Group, based on years of professional management experience in commercial properties, deeply understood customer service needs and kept innovating commercial property service experience. During the year, the Group accelerated the expansion of market-oriented benchmarking projects. As of 31 December 2021, the area of the commercial properties under management of the Group was approximately 1.3 million sq.m., representing an increase of approximately 12.9% as compared to the same period in 2020.

In respect of public and other properties, the Group provides an integrated logistics service solution, taking into account the politics, high security, demanding and high standard characteristics of management over public properties. The Group constantly expands its national footprint across multiple sectors, including universities and teaching and research properties, urban scenic spots, government office buildings, urban public facilities, construction site property services and so on. For the year ended 31 December 2021, the number of public and other property projects under the management of the Group was 27, representing an increase of 6 projects and an increase of approximately 564,000 sq.m. of area under management as compared with the end of 2020.

In respect of hutong properties, the Group is the market leader and standard-setter in the hutong property management service area. Guided by Party building, the Group promotes the integration of property services into social governance, fully demonstrating the characteristics of hutong. Using management services as a tool to explore the code to the happiness in hutong, the Group is committed to improving the safety and well-being of the people through a government-led, multi-faceted and interactive model of property services governance. For the year ended 31 December 2021, the number of hutong properties under the management of the Group was 7, with a total of 335 lanes and approximately 6.4 million sq.m. of area under management.

Value-added services to non-property owners: accounting for approximately 11.8% of total revenue

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	As of 31 December 2021 RMB'000	2021 Percentage of revenue %	2020 RMB'000	2020 Percentage of revenue %
Tenant sourcing and management services	**54,190**	**37.4**	52,856	47.0
Sales office and display unit management and delivery service	**57,472**	**39.7**	36,109	32.1
Others	**33,129**	**22.9**	23,454	20.9
Total	**144,791**	**100.0**	112,419	100.0

For the year ended 31 December 2021, the Group's revenue from value-added services to non-property owners amounted to approximately RMB144.8 million, representing an increase of approximately 28.8% over the same period in 2020, mainly due to the increase in the number of sales office and display unit management projects served by the Group and the increase in revenue from engineering operations and maintenance services.

With over ten years of experience in sales office and display unit management and delivery service, the Group successively provided high quality services for renowned property sales offices, joined Union International Concierge Organization, and embedded perfect service philosophy of Concierge, bringing "Satisfactory and Surprising" quality service experience to customers. Our sales office services adopt personalized customized services based on the characteristics of projects, create happy lifestyle scenes for the future and bring good property purchase experience with high quality on-site services, thus facilitating the completion of transactions.

Value-added services to community: accounting for approximately 22.3% of total revenue

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

Service type	As of 31 December 2021 RMB'000	2021 Percentage of revenue %	2020 RMB'000	2020 Percentage of revenue %
Heat energy supply services	**135,082**	**49.5**	121,673	49.6
Carpark space operation services	**61,987**	**22.7**	56,456	23.0
Catering services	**36,396**	**13.3**	25,572	10.4
Others	**39,472**	**14.5**	41,448	17.0
Total	**272,937**	**100.0**	245,149	100.0

For the year ended 31 December 2021, the Group's revenue from value-added services to community amounted to approximately RMB272.9 million, representing an increase of approximately 11.3% as compared with the same period of 2020, mainly due to the growth in revenue from the Group's heat supply services, carpark space operation services, and the expansion of catering services.

At present, the Group is responsible for the operation service for heat energy supply of 10 heat energy generation plants (30 projects) in Beijing, with a heating area of 4.1 million sq.m. and a heating capacity of 285.9 MW, serving about 42,000 households. Through advanced technology transformation and scientific and technological application, including the renewal of heating equipment burners and intelligent regulation of heat energy supply management, we continue to reduce carbon emissions and practice the national concept of ecological and environmental protection, so as to achieve energy-saving and efficient heat energy supply services, and become a warm service provider for customers.

The Group is the first catering service team in the Beijing Municipal Administrative Center and among the first batch of catering teams to enter Xiong'an New Area. It has provided catering services to persons who safeguarded the celebration of the 70th anniversary of the founding of the People's Republic of China and catering services to Xiaotangshan Hospital during epidemic prevention and control. The Group has a strong and professional project catering management team, strictly abides by the national regulations on food safety management, keeps pace with the times, and constantly innovates and studies all kinds of dishes, so as to provide customers with a clean and comfortable dining environment.

FINANCIAL REVIEW

Revenue

The Group's revenue comes from three main service lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) value-added services to community. The following table sets out the breakdown of revenue by service lines during the indicated periods:

	Year ended 31 December				
	2021		2020		
		Percentage of revenue		Percentage of revenue	Growth Rate
	RMB'000	**%**	RMB'000	%	%
Property management services	**806,856**	**65.9**	732,986	67.2	10.1
Value-added services to non-property owners	**144,791**	**11.8**	112,419	10.3	28.8
Value-added services to community	**272,937**	**22.3**	245,149	22.5	11.3
Total	**1,224,584**	**100.0**	1,090,554	100.0	12.3

For the year ended 31 December 2021, the total revenue of the Group was approximately RMB1,224.6 million (2020: approximately RMB1,090.6 million), representing an increase of approximately 12.3% as compared with the same period in 2020, mainly due to: (i) an increase in revenue due to the continuous expansion of the Group's management scale; and (ii) the rapid development of value-added services of the Group during the year.

Cost of sales

For the year ended 31 December 2021, the cost of sales of the Group was approximately RMB951.9 million (2020: approximately RMB864.1 million), representing an increase of approximately 10.2% as compared with the same period in 2020, primarily due to the increase of staff cost and outsourcing cost as a result of the increase of areas under management and the projects under management of the Group.

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:

Gross profit and gross profit margin

	For the year ended 31 December					
	2021			2020		
	Gross profit (RMB'000)	**Gross profit ratio %**	**Gross profit margin %**	Gross profit (RMB'000)	Gross profit ratio %	Gross profit margin %
Property management services	**175,190**	**64.2**	**21.7**	148,578	65.6	20.3
Value-added services to non-property owners	**52,837**	**19.4**	**36.5**	38,587	17.0	34.3
Value-added services to community	**44,622**	**16.4**	**16.3**	39,309	17.4	16.0
Total	**272,649**	**100.0**	**22.3**	226,474	100.0	20.8

For the year ended 31 December 2021, our gross profit was approximately RMB272.6 million, representing an increase of approximately 20.4% as compared with the same period in 2020 (approximately RMB226.5 million). The gross profit margin of the Group increased from approximately 20.8% in the same period in 2020 to approximately 22.3%.

For the year ended 31 December 2021, the gross profit margin of property management services of the Group was approximately 21.7% (2020: 20.3%). The gross profit margin of value-added services to non-property owners of the Group was approximately 36.5% (2020: approximately 34.3%). The gross profit margin of value-added services to community of the Group was approximately 16.3% (2020: approximately 16.0%). The gross profit margin of each service line of the Group continued to rise as compared with the previous year.

Administrative expenses

For the year ended 31 December 2021, the total administrative expenses of the Group were approximately RMB163.9 million, representing an increase of approximately 14.1% from approximately RMB143.6 million for the year ended 31 December 2020, primarily due to (i) the increase in remuneration and benefits and relevant expenses resulting from hiring of new employees for business development of the Group as compared with the same period in 2020; and (ii) the increase of audit fee and consulting fee after listing in 2021.

Other income

For the year ended 31 December 2021, other income was approximately RMB5.8 million, representing a decrease of approximately 57.7% from approximately RMB13.6 million for the year ended 31 December 2020, primarily due to the change in fair value of investment properties.

Profit for the year

For the year ended 31 December 2021, our profit for the year was approximately RMB84.1 million, representing an increase of approximately 22.4% from approximately RMB68.8 million in the same period of 2020. The profit for the year attributable to the equity shareholders of the Group was approximately RMB82.8 million, representing an increase of approximately 43.9% from approximately RMB57.5 million as compared with the same period of 2020; the net profit margin was approximately 6.9%, representing an increase of approximately 0.6 percentage point as compared with approximately 6.3% in 2020. The increase in profit for the year was primarily due to (i) an increase in revenue as a result of the continuous expansion of our management scale; and (ii) the controlling of our costs for the year.

Current assets and capital structure

The Group maintained an excellent financial position and adequate liquidity for the year ended 31 December 2021. As at 31 December 2021, the current assets were approximately RMB1,561.5 million, representing an increase of approximately 17.6% as compared with approximately RMB1,327.8 million as at 31 December 2020. As at 31 December 2021, the current ratio (current assets divided by current liabilities) of the Group was approximately 1.5 (31 December 2020: approximately 1.2).

As of 31 December 2021, the Group's cash and cash equivalents amounted to approximately RMB1,087.3 million, representing an increase of approximately 45.5% as compared with approximately RMB747.0 million as at 31 December 2020, primarily due to the increase in proceeds from the issuance of H shares of the Company (the "**H Shares**") and repayment of advances to related parties.

As of 31 December 2021, the total equity of the Group amounted to approximately RMB704.2 million, representing an increase of approximately 70.0% or approximately RMB290.1 million as compared with approximately RMB414.1 million as at 31 December 2020, primarily due to the increase in the Group's equity as a result of the proceeds raised from the issuance of H Shares by the Company and the profit contribution achieved during the year.

As of 31 December 2021, the Group's debt-to-asset ratio was approximately 61.5%, representing a decrease of approximately 12.3 percentage points as compared with 73.8% as at 31 December 2020. The debt-to-asset ratio refers to the ratio of total liabilities to total assets.

Property, plant and equipment

Our property, plant and equipment primarily consist of buildings, properties leased for own use, office and other equipment. As at 31 December 2021, the Group's property, plant and equipment amounted to approximately RMB33.6 million, representing an increase of approximately RMB8.6 million as compared with approximately RMB25.0 million as at 31 December 2020, primarily due to the increase in the purchase of electronic office equipment and leasehold for the Group's business operations.

Investment properties

Our investment properties primarily include our buildings which are owned or held under a leasehold interest to earn rental income. As at 31 December 2021, the Group's investment properties amounted to approximately RMB105.2 million, representing an increase of approximately RMB1.6 million as compared with approximately RMB103.6 million as at 31 December 2020, primarily attributable to change of fair value of the Group's investment properties.

Prepayments, trade and other receivables

As of 31 December 2021, prepayments, trade and other receivables amounted to approximately RMB462.5 million, representing a decrease of approximately RMB106.4 million as compared with approximately RMB568.9 million as at 31 December 2020, primarily attributable to the Group's greater efforts to settle the receivables of previous years.

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 decreased from approximately RMB233.2 million as of 31 December 2020 to approximately RMB14.7 million as of 31 December 2021, mainly due to the repayment of other receivables from related parties.

Trade and other payables

As of 31 December 2021, trade and other payables amounted to approximately RMB732.1 million, remaining basically stable as compared with approximately RMB743.1 million as at 31 December 2020.

Other payables of the Group mainly comprised housing maintenance funds payable and payables to related parties and deposits received from landlords and tenants for renovation and utilities. Other payables of the Group as at 31 December 2020 and 31 December 2021 were approximately RMB579.2 million and RMB503.4 million, respectively, whose decrease was mainly due to the payments of amount due to related parties in 2021.

Capital expenditure

Our capital expenditure increased from approximately RMB4.8 million for the year ended 31 December 2020 to approximately RMB16.3 million for the year ended 31 December 2021, which is mainly used for the purchase of office and other equipment and software.

Borrowing

As at 31 December 2021, the Group did not have any borrowings or bank loans.

Pledge of assets

As at 31 December 2021, the Group did not have any pledge on its assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2021, the Group did not have any significant investments, acquisitions and disposals. The Company entered into a promoters' agreement to establish a joint venture company with Beijing Qinglong Construction Management Co., Ltd. on 28 December 2021. The registered capital of the joint venture company was RMB10.0 million, of which the Company planned to contribute RMB5.1 million in cash for holding 51% of the equity interest of the joint venture company. For details, please refer to the announcement of the Company dated 28 December 2021. In addition, except for the expansion plans disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Company's prospectus dated 29 October 2021 (the "**Prospectus**"), the Group has no specific plans for significant investment or acquisition of material capital assets. However, the Group will continue to identify new opportunities for business development.

USE OF NET PROCEEDS FROM THE LISTING

The Company's H Shares were successfully listed on the Stock Exchange on 10 November 2021 (the "**Listing Date**"), and 36,667,200 H Shares were issued. After deduction of underwriting fees and related expenses, the net proceeds from the listing (the "**net proceeds**") were approximately HK$246.91 million.

As of 31 December 2021, the Company did not use the net proceeds and the net proceeds have been placed as interest-bearing deposits with licensed banks in Hong Kong. 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.

As at 31 December 2021, details of the net proceeds of the Group is as follows:

Purposes	Percentage of total amount	Planned use of net proceeds HK$ Million	Actual use of proceeds as of 31 December 2021 HK$ Million	Unused amount as of 31 December 2021 HK$ Million	Expected timeline for full utilization of the remaining proceeds
Strategic investment and acquisition	60%	148.15	–	**148.15**	On or before 31 December 2024
Development of value-added services	25%	61.73	–	**61.73**	On or before 31 December 2024
– Expanding tenant sourcing and management services	15%	37.04	–	**37.04**	On or before 31 December 2024
– Diversifying community value-added services	10%	24.69	–	**24.69**	On or before 31 December 2024
Developing and upgrading our information technology infrastructure and intelligent equipment	10%	24.69	–	**24.69**	On or before 31 December 2024
– Upgrading the internal operation system	4%	9.88	–	**9.88**	On or before 31 December 2024
– Promoting the application of IoT technologies	3%	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**	On or before 31 December 2024
Working capital and for general corporate purposes	5%	12.35	–	**12.35**	N/A
Total	100%	246.91	–	**246.91**	

V. Management Discussion and Analysis

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material contingent liabilities.

FOREIGN EXCHANGE RISK

The Group conducts its business in Renminbi. Our foreign exchange transactions mainly came from the proceeds from the listing and payment of professional fees denominated in Hong Kong dollars. As at 31 December 2021, the principal non-RMB assets were cash and cash equivalents of HK$276.8 million (equivalent to RMB226.3 million). The Group is not expected to subject to any significant risk relating to fluctuations in exchange rates. The Group currently has not adopted any foreign currency hedging policies. Notwithstanding all these, the Group will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange risk, and take appropriate action where necessary.

VI. Directors, Supervisors and Senior Management

DIRECTORS

Mr. Zhang Weize (張偉澤), aged 52, is the chairman of our Board and an executive Director of our Company, and is the secretary to the party committee of our Company. He is responsible for the overall work of our Board and the party committee. Mr. Zhang joined our Company in December 2020 when our Company was incorporated and served in his current positions. Currently, Mr. Zhang serves as chairman of the Nomination Committee, chairman of the Strategy and Investment and ESG Committee and member of the Risk and Compliance Management Committee of the Company. He served as the vice chairman of Beijing Property Management Association (北京物業管理行業協會) since July 2021.

Prior to joining our Company, Mr. Zhang successively served as a deputy general manager and director of Beijing Construction Engineering International Construction Engineering Co., Ltd.* (北京建工國際建設工程有限責任公司) from July 1992 to March 2011, primarily responsible for managing market development, external operations, overseas regional management, and presiding over the overall work of the African region; served as a deputy secretary to the party committee, director and general manager of Beijing Construction Engineering Design Co. Ltd.* (北京市建築工程設計有限責任公司) from March 2011 to November 2011, primarily responsible for the overall work of the management; served as a deputy general manager of BUCC from September 2011 to December 2020, primarily responsible for the management of the company's marketing, operation and management, production, safety, centralized procurement of materials and equipment, property management and overseas business.

Mr. Zhang graduated from Harbin Civil Engineering Institute (哈爾濱建築工程學院) with a bachelor's degree in July 1992; and graduated from Tsinghua University (清華大學) with a master's degree in senior management business administration in January 2012; and was awarded the qualification of professorate senior economist by the Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) in October 2020.

Mr. Yang Jun (楊軍), aged 53, is an executive Director, general manager and deputy secretary to the party committee of our Company. He is responsible for the overall business operations of our Group. Mr. Yang joined our Company in December 2020 when our Company was incorporated and served in his current positions. Currently, Mr. Yang also serves as member of the Risk and Compliance Management Committee, Strategy and Investment and ESG Committee of the Company.

Mr. Yang successively served as the deputy general manager, general manager and chairman of BUCG Properties, a subsidiary of the Company, from 2003 to 2021, primarily responsible for real estate development, property management and overall work of the company. Mr. Yang has also successively served as the representative of the 15th and 16th Beijing Haidian District People's Congress since December 2011. Prior to joining our Company, Mr. Yang served as the chief engineer and deputy manager in the real estate department of Beijing Urban Construction Engineering Co., Ltd.* (北京城建建設工程有限公司) from July 1991 to October 1998, primarily responsible for project management and operation; served as a project manager in Beijing Urban Construction Real Estate Development Co., Ltd.* (北京城建房地產開發有限公司) from November 1997 to February 2003, primarily responsible for real estate development.

Mr. Yang graduated from the Capital University of Economics and Business (首都經濟貿易大學) as a postgraduate majoring in regional economics in June 2004; graduated from Beijing Jiaotong University (北京交通大學) with a bachelor's degree of management in business administration in January 2015; and was awarded the qualification of senior engineer by the Evaluation Committee of the Ministry of Land and Resources of the People's Republic of China (中國國土資源部評估委員會) in December 2006.

VI. Directors, Supervisors and Senior Management

Mr. Luo Zhou (羅周), aged 49, is an executive Director and deputy general manager of our Company. He is responsible for the strategic development and quality control of our Group. Mr. Luo joined our Company in December 2020 when our Company was incorporated and served in his current positions. Currently, Mr. Luo also serves as member of the Strategy and Investment and ESG Committee of the Company.

Mr. Luo has also served as the vice chairman of the Specialized Committee of Industry-University-Research of China Property Management Institute (中國物業管理協會產學研專業委員會) since December 2019; served as the director and general manager of Chengcheng Property, a subsidiary of our Company, from March 2007 to November 2012, and has served as the chairman from 2019 to 2021, primarily responsible for the management work of production operation of the company.

Mr. Luo graduated from Beijing University of Technology (北京工業大學) with a bachelor's degree in business management in July 1998; graduated from University of International Business and Economics (對外經濟貿易大學) with a master's degree in business administration in December 2004. Mr. Luo was awarded the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in September 2012; and was awarded the qualification of comprehensive expert by Beijing Property Management Assessment & Supervision Association (北京市物業服務評估監理協會) in October 2020.

Mr. Yao Xin (姚昕), aged 45, is an executive Director and deputy general manager of our Company. He is responsible for the operation and safety of our Group. Mr. Yao joined our Company in December 2020 when our Company was incorporated and served in his current positions. Currently, Mr. Yao also serves as member of the Risk and Compliance Management Committee of the Company.

Mr. Yao served as the secretary to the party committee of Beiyu Property, a subsidiary of our Company from 2013 to 2021, and has successively served as deputy manager, director and chairman of the board of directors, primarily responsible for the overall work of the company.

Prior to joining our Company, Mr. Yao served as the general manager of Beijing Likang Group Company* (北京利康集團公司) from April 2015 to July 2019, primarily responsible for the overall work of the company.

Mr. Yao graduated from Shougang Institute of Technology (首鋼工學院) with a bachelor's degree in architectural engineering in July 1999; graduated from the Graduate School of the Party School of the Central Committee of Communist Party of China (中共中央黨校研究生院) with a major in party building in July 2015. Mr. Yao was awarded the qualifications of first-class construction engineer and senior economist by Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) in March 2010 and December 2020, respectively.

Mr. Xie Ping (謝平), aged 51, is a non-executive Director of our Company. He is responsible for providing advice on the strategic development, system formulation and major operational decisions of our Group. Mr. Xie joined our Company in December 2020 when our Company was incorporated and served in his current position. Currently, Mr. Xie also serves as member of the Audit Committee, Remuneration and Evaluation Committee and Risk and Compliance Management Committee of the Company.

Mr. Xie has worked in BUCG since July 2002, and successively served as a deputy director and director of the corporate management department, primarily involved in the strategic planning formulation, economic activity analysis, performance evaluation and salary management of the company.

Mr. Xie graduated from Renmin University of China (中國人民大學) in July 1995 with a bachelor's degree; graduated from Graduate School of Chinese Academy of Sciences (中國科學院研究生院) with a master's degree in management science and engineering in August 2003. Mr. Xie was awarded the qualifications of senior economist and senior engineer by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in January 2005 and December 2005, respectively.

Mr. Mao Lei (毛磊), aged 43, is a non-executive Director of our Company. He is responsible for providing advice on the strategic development, system formulation and major operational decisions of our Group. Mr. Mao joined our Company when our Company was incorporated in December 2020 and served in his current position. Currently, Mr. Mao also serves as member of the Strategy and Investment and ESG Committee of the Company.

Mr. Mao has worked in BUCID since July 2001, and successively served as a deputy director and director of the enterprise development department, primarily responsible for strategic planning, performance evaluation, internal control and planning statistics.

Mr. Mao graduated from the investment economics department in Central University of Finance and Economics (中央財經大學) with a bachelor's degree in investment economics in June 2001. Mr. Mao was awarded the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in September 2011.

Mr. Cheng Peng (程鵬), aged 47, is an independent non-executive Director of the Company. He is responsible for providing independent advice and guidance to the Board. Mr. Cheng joined the Company in October 2021, and served in his current position. Currently, Mr. Cheng also serves as chairman of the Remuneration and Evaluation Committee and member of the Nomination Committee of the Company.

Mr. Cheng has served as the independent non-executive director in First Service Holding Limited (第一服務控股有限公司), a company listed on the Hong Kong Stock Exchange, stock code: 02107, since October 2020, primarily responsible for providing independent advice to the board of directors; served as the deputy professor of the Property Management Department of the School of Economics and Management of Beijing Forestry University (北京林業大學) since July 2011 and currently serves as the head of the department, primarily responsible for teaching and management work. Since September 2019, Mr. Cheng has served as a member of the Specialized Committee of Real Estate Market Services in the Science and Technology Committee of the MOHURD, primarily responsible for providing professional decision-making consultation on real estate market services to the MOHURD; served as the vice chairman of the Specialized Committee of Industry-University-Research of China Property Management Institute (中國物業管理協會產學研專業委員會) since December 2019, primarily responsible for the research on the industry-university-research field of the property management industry.

Mr. Cheng graduated from the Department of Economic Information Management of Jilin University of Finance and Economics (吉林財經大學) with a bachelor's degree in July 1998; graduated from Jilin University (吉林大學) with a master's degree in business administration in June 2005; graduated from Jilin University (吉林大學) with a doctor's degree in management science and engineering in June 2009. Mr. Cheng was awarded the qualification of deputy professor specializing in e-commerce by Department of Human Resources and Social Security of Jilin Province (吉林省人力資源和社會保障廳) in September 2009.

Mr. Kong Weiping (孔偉平), aged 52, is the independent non-executive Director of the Company. He is responsible for providing independent advice and guidance to the Board. Mr. Kong joined the Company in October 2021, and served in his current position. Currently, Mr. Kong also serves as member of the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee, Strategy and Investment and ESG Committee and Risk and Compliance Management Committee of the Company.

Mr. Kong has served as an independent director of Zotye Automobile Co., Ltd. (眾泰汽車股份有限公司), a company listed on Shenzhen Stock Exchange, stock code: 000980, since July 2017; an external director of Beijing North Star Company Limited* (北京北辰實業集團有限責任公司) since December 2018; an external director of Beijing Tianqiao Zenith Investment Group Co., Ltd.* (北京天橋盛世投資集團有限責任公司) since January 2020; an external director of Beijing Huafang Investment Company Limited* (北京華方投資有限公司) since April 2020. Mr. Kong currently works as a lawyer in Beijing Sino-Integrity Law Firm, primarily responsible for legal services.

Prior to joining our Company, Mr. Kong served as an independent director of SDIC Zhonglu Fruit Juice Co., Ltd. (國投中魯果汁股份有限公司), a company listed on Shanghai Stock Exchange, stock code: 600962, from April 2013 to April 2019; an independent director of Sinomine Resource Group Co., Ltd. (中礦資源集團股份有限公司), a company listed on Shenzhen Stock Exchange, stock code: 002738, from April 2014 to May 2020.

Mr. Kong graduated from the Department of Education of Beijing Normal University (北京師範大學) with a master's degree in education management in July 1996. Mr. Kong currently holds the qualification of lawyer practicing certificate by the Ministry of Justice of the PRC.

Mr. Kong Chi Mo (江智武) *CESGA®, FSA, FCCA, CPA, FCG, HKFCG, FHKIoD & MHKSI*, aged 46, is an independent non-executive Director of the Company. He is primarily responsible for providing independent advice and guidance to the Board. Mr. Kong joined the Company in October 2021 and served in his current position. Mr. Kong is also the chairman of the Audit Committee of the Board.

Mr. Kong has more than 20 years of experience in accounting and audit, corporate finance, investor relations, company secretarial and governance with an additional concern on enterprise value and sustainability. Mr. Kong currently holds several directorships in listed companies including serving as an independent non-executive director and chairman of audit committee of AK Medical Holdings Limited (stock code: 01789) since November 2017, an independent non-executive director and chairman of audit committee of New Hope Service Holdings Limited (stock code: 03658) since February 2022, and an independent non-executive director and chairman of audit committee of ZACD Group Ltd. (stock code: 08313) since December 2017. All of the above-mentioned public companies are listed on the Hong Kong Stock Exchange.

Prior to joining the Company, Mr. Kong started his career as a finance trainee in Hutchison Telecommunications (Hong Kong) Limited, an indirect wholly-owned subsidiary of Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 00215), from June 1997 to March 1998. Mr. Kong worked as a tax associate in PricewaterhouseCoopers, an international accounting firm, from March 1998 to October 1999 and worked in KPMG, another international accounting firm, from October 1999 to December 2007, during which his last position held in KPMG was audit senior manager. Mr. Kong successively served as an executive director, chief financial officer, company secretary and authorized representative during his employment with China Vanadium Titano-Magnetite Mining Company Limited (stock code: 00893) from May 2008 to March 2020. Mr. Kong served as an independent non-executive director of Huazhang Technology Holding Limited (stock code: 01673) from May 2013 to December 2021, an independent non-executive director of Aowei Holding Limited (stock code: 01370) from June 2013 to March 2021, and an independent non-executive director of Starlight Culture Entertainment Group Limited (stock code: 01159) from May 2017 to May 2019. All of the above-mentioned public companies are listed on the Hong Kong Stock Exchange. Mr. Kong is accredited as (i) an European Federation of Financial Analysts Societies (EFFAS) Certified ESG Analyst, the first internationally recognized ESG Professional Accreditation in Hong Kong and (ii) a Value Reporting Foundation's (VRF) Fundamentals of Sustainability Accounting Credential Holder. Aside from the above-mentioned ESG- and sustainability-related qualifications, in aspects of accounting, company secretarial and governance, Mr. Kong is also admitted as (i) a Fellow of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom; (ii) a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants (HKICPA); (iii) a Fellow of both The Chartered Governance Institute (CGI) in the United Kingdom and The Hong Kong Chartered Governance Institute (HKCGI) with the designations of Chartered Secretary and Chartered Governance Professional; (iv) a Fellow of The Hong Kong Institute of Directors (HKIoD); and (v) an Ordinary Member of Hong Kong Securities and Investment Institute (HKSI). Mr. Kong graduated from The Chinese University of Hong Kong with a Bachelor's degree in Business Administration in December 1997.

SUPERVISORS

Mr. Liu Fengyuan (劉鳳元), aged 57, is the chairman of the Supervisory Committee and a Shareholder representative Supervisor of our Company. Mr. Liu joined our Company in December 2020 when our Company was incorporated and served in his current positions.

Mr. Liu has successively served as the deputy manager of the general contracting department, deputy director and director of the operation and management department of Wukesong Cultural Sports Centre in BUCG since October 2004 and the deputy chief economist of BUCG since September 2020; served as a dispatched director of Beijing Urban Construction No. 10 Construction Engineering Co., Ltd. (北京城建十建設工程有限公司) since June 2018. Mr. Liu also served as a vice chairman of the Cost Information Committee (造價信息化委員會) of Beijing Construction Project Cost Expert Committee (北京市建設工程造價專家委員會) at Beijing Construction Project Cost Management Association (北京市建設工程造價管理協會) since March 2018 and a bid evaluation expert at Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) since January 2021.

Prior to joining our Company, Mr. Liu served as the director of the operation department and deputy chief economist of Beijing Urban Construction Far East Construction Investment Group Co., Ltd. (北京城建遠東建設投資集團有限公司) from July 1983 to November 2004.

Mr. Liu obtained a master's degree in project management from University of Quebec at Chicoutimi, Canada in March 2011. Mr. Liu was awarded the qualification of registered cost engineer by the Ministry of Personnel and the Ministry of Construction of China in June 1999 and the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in September 2016.

Mr. Wang Wei (王偉), aged 53, is a Shareholder representative Supervisor of our Company. Mr. Wang joined our Company in June 2021 and served in his current position.

Mr. Wang served as the general manager of Beijing Dongfang Ronghe Property Management Co., Ltd. (北京東方容和物業管理有限責任公司) from July 2020 to November 2021.

Prior to joining our Company, Mr. Wang served as the manager of the development department of Beijing Dongkai Urban Construction Integrated Development Company (北京市東開城市建設綜合開發公司) from February 1992 to August 1996; served as the general manager of Beijing Dongfang Ronghe Property Management Co., Ltd. from September 1996 to March 2017; served as the general manager of Beijing Wangfujing Tour Bus Sightseeing Services Co., Ltd. (北京王府井旅遊車觀光服務有限公司) from April 2017 to July 2018, primarily responsible for the overall operation of the company; served as director of the housing management centre of Tianjie Group from August 2018 to March 2019; and served as the manager of the corporate management department of Tianjie Group from April 2019 to June 2020.

Mr. Wang graduated from Beijing Light Industry Academy (北京輕工業學院) with a major in investment economy in July 1998 and completed a junior college program. Mr. Wang was awarded the qualification of assistant engineer specialising in industrial and civil engineering (工民建) by the Beijing Municipal Junior Professional and Technical Evaluation Committee (北京市初級專業技術職務評審委員會) in November 1995; the qualification of National Property Management Enterprise Manager (全國物業管理企業經理) by the Human Resources and Education Department (人事教育司) and the Housing and Real Estate Industry Department (住宅與房地產業司) of the Ministry of Construction in September 2001; and the qualification of certified property manager by the Occupational Skills Appraisal Centre of the Ministry of Labour and Social Security (勞動和社會保障部職業技能鑒定中心) in March 2006.

Ms. Liu Fang (劉芳), aged 39, is an employee representative Supervisor of our Company. Ms. Liu joined our Company in December 2020 when our Company was incorporated and served in her current position.

Ms. Liu served as the director of the general office of Beijing Urban Construction Beiyuan Grand Hotel Co., Ltd. (北京城建北苑大酒店有限公司) from July 2010 to August 2015. Ms. Liu served as the director of the general office of BUCG Properties from September 2015 to February 2021.

Ms. Liu graduated from the Faculty of Arts in Beijing Normal University (北京師範大學) with a master's degree in comparative literature and world literature in July 2010.

Ms. Liu was awarded the first-level qualification of enterprise human resource manager in May 2014 and the qualification of intermediate economist by Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) in April 2017.

SENIOR MANAGEMENT

Please refer to the section "Directors" above for the biographical details of Mr. Yang Jun, Mr. Luo Zhou and Mr. Yao Xin.

Mr. Xu Lude (許祿德), aged 53, is the deputy general manager, secretary of our Board and joint company secretary of our Company. Mr. Xu joined our Company in December 2020 when our Company was incorporated and served in his current positions.

Prior to joining our Company, Mr. Xu successively served as a business manager, deputy director and director of the investment department of BUCID from October 1999 to January 2021, primarily responsible for investment management; served as the general manager of Beijing Urban Construction (Wuhu) Equity Investment Management Co., Ltd. (北京城建(蕪湖)股權投資管理有限公司) from April 2015 to January 2021, primarily responsible for investment management; and served as the director and the chairman of the board of directors of Shenzhen China Science & Merchants Venture Capital Co., Ltd. (深圳市中科招商創業投資有限公司) from March 2018 to January 2021, primarily responsible for investment management.

Mr. Xu graduated from Tianjin University (天津大學) with a bachelor's degree in investment economics in July 1999. Mr. Xu was awarded the qualification of engineer specialising in computer application by Beijing Municipal Intermediate Professional Technical Qualification Evaluation Committee (北京市中級專業技術協會職務評審委員會) in September 1999.

Ms. Li Peng (李鵬), aged 48, is the chief accountant of our Company. Ms. Li joined our Company in December 2020 when our Company was incorporated and served in her current position.

Ms. Li has served as a director and chief accountant in BUCG Properties, a subsidiary of our Company, since May 2020, primarily responsible for the overall financial management of the company.

Ms. Li was awarded the qualification of Chinese Certified Public Accountant by the Certified Public Accountant Examination Committee of the Ministry of Finance of the PRC (中國財政部註冊會計師考試委員會) in May 1997; and was awarded the qualification of senior accountant by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in February 2006.

Ms. Ma Suyan (馬素艷), aged 49, has served as the general counsel of our Company since February 2021.

Prior to joining our Company, Ms. Ma has worked in the department of the legal affairs of BUCG since 2011.

Ms. Ma was awarded the legal practicing qualification by the Ministry of Justice in February 2005; and was awarded the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in December 2008.

Mr. Lyu Hao (呂昊), aged 39, is the marketing director of our Company. Mr. Lyu joined our Company in April 2021 and served in his current position.

Mr. Lyu has served as the manager of Beijing Urban Construction Chongqing Property Management Co., Ltd. (北京城建重慶物業管理有限公司), a subsidiary of our Company, since July 2013, and served as director of the company from August 2015 to March 2019. Mr. Lyu also served as the deputy general manager of Beijing Chengcheng Property Management Co., Ltd. (北京城承物業物業管理有限責任公司), a subsidiary of our Company, from 2015 to 2021, primarily responsible for the management of certain branches and projects of Beijing Chengcheng Property Management Co., Ltd.

Prior to joining our Company, Mr. Lyu served as the deputy general manager and secretary of the board of directors of Beijing Urban Construction Chongqing Real Estate Co., Ltd. (北京城建重慶地產有限公司) from August 2012 to April 2015, primarily responsible for customer service and board secretary related work.

Mr. Lyu graduated from Tianjin University (天津大學) with a bachelor's degree in electronics science and technology in June 2003. Mr. Lyu was awarded the qualification of intermediate economist by Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) in April 2017.

JOINT COMPANY SECRETARIES

Mr. Xu Lude (許祿德), is one of the joint company secretaries of our Company. Please refer to "Senior Management" above for his biographical details.

Ms. Mok Ming Wai (莫明慧), is one of the joint company secretaries of our Company. Ms. Mok is currently an executive director of corporate services of Tricor Services Limited. Ms. Mok has over 22 years of experience in professional and internal company secretarial work. She obtained her master's degree of Science in Applied Accounting and Finance from Hong Kong Baptist University in November 2011. She was admitted as a fellow of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom in December 2011.

The Board hereby presents this Corporate Governance Report for the period from the Listing Date to 31 December 2021.

CORPORATE GOVERNANCE STRUCTURE

The Board is committed to maintaining high standards of corporate governance and believes that good corporate governance is essential to the Company's sustainable development and healthy business growth. We safeguard the interests of the shareholders of the Company (the "**Shareholders**") and enhance corporate value through robust corporate governance.

The Company's general meeting, the Supervisory Committee, the Board, and each special committee under the Board have established a clear governance structure under the relevant laws, the articles of association of the Company (the "**Articles of Association**"), and their respective working rules. The Board and the five special committees under the Board perform their respective duties and work in collaboration and under adequate supervision to continuously improve the Company's corporate governance and form an excellent corporate governance structure. The Company ensures the regular operation under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") through this governance structure.

The Company has adopted the code provisions in the Corporate Governance Code (the version up to 31 December 2021) (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules as its code of corporate governance. The Group has complied with all the applicable code provisions of the Corporate Governance Code throughout the period from the Listing Date to 31 December 2021.

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 of the Company.

The Company has made specific enquiries to all Directors and Supervisors of the Company and they have confirmed that they have complied with the Model Code throughout the period from the Listing Date to 31 December 2021.

BOARD OF DIRECTORS

Board Composition

As at 31 December 2021, the Board comprises nine Directors with four executive Directors, two non-executive Directors, and three independent non-executive Directors, details of which are set out below:

Executive Directors

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

Non-executive Directors

Mr. Xie Ping
Mr. Mao Lei

Independent Non-executive Directors

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

Personal particulars of Directors are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report. No relationship (including financial, business, family or other material/relevant relationship(s)) exist between any member of the Board and other directors, supervisors, and senior management.

CHAIRMAN AND GENERAL MANAGER

Pursuant to code provision A.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company supports the division of responsibilities between the chairman and the general manager to ensure a balance of authority and responsibility and to maintain a balanced judgment view. During the year ended 31 December 2021, Mr. Zhang Weize served as chairman, and Mr. Yang Jun served as general manager of the Company. The chairman is responsible for presiding over the work of the Board, formulating the Group's development strategies, setting the overall business objectives of the Company, etc. The general manager shall be accountable to the Board of Directors, responsible for implementing the development strategies and operational management of the Group, and ensuring the corporate governance and process operation of the Company goes well.

THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors shall be accountable to the general meeting and responsible for the Group's governance, establishing the Group's business and management strategies and direction, and supervising and controlling operational and financial performance to maximize long-term shareholder value. The duties of Board of Directors include but not limited to convene a general meeting and report its work to such meeting; implement the resolutions of a general meeting; decide on the operation plans and investment schemes of the Company and formulate the development strategies of the Company; prepare the annual financial budget plan and final account plan of the Company; prepare the profit distribution plan and the loss recovery plan of the Company; decide on the establishment of the internal organizations of the Company; establish a basic management system of the Company; appoint or remove the senior management and decide on their remunerations; listen to the work report of the general manager and examine such work; and exercise other duties and powers specified in relevant laws, regulations, and Articles of Association. Matters relating to the daily operations and management of the Group shall be handled by the management authorized by the Board. The Board provides clear guidelines on the management authority of the management team and what the management team should report, and regularly reviews the authorized functions, rights and tasks to ensure that they remain applicable.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors play an essential role in the Board of Directors through their independent professional judgment, and their views play an important role in the decisions of the Board of Directors. Their extensive experience has contributed significantly to enhancing the decision-making capability of the Board of Directors and achieving a sustainable and balanced development of the Group.

For the period from the Listing Date to 31 December 2021, the Board has complied with the requirements of Rule 3.10A of the Listing Rules (which specified that an issuer must appoint independent non-executive directors representing at least one-third of the board), and the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules (which specify that every board of directors shall include at least three independent non-executive directors, and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise).

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

THE APPOINTMENT OF DIRECTORS

Governance principle B.2 of the Corporate Governance Code provides that all directors shall be subject to re-election at regular intervals; Code provision B.2.2 of the CG Code provides that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Each non-executive director shall be appointed for a term of three years or until the expiration of the term of the first session of the Board of Directors (22 December 2023).

The term of office of each director shall be three years or until the expiration of the term of the first session of the Board of Directors (22 December 2023). A director shall continue to perform his duties in accordance with the laws, administrative regulations, departmental rules, and Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office. Their re-election shall be subject to the provisions of the Articles of Association.

NOMINATION POLICY

The Nomination Committee identifies suitably qualified individuals and makes recommendations to the Board for nomination as directors to ensure that the members of the Board have the skills, experience, and multiple perspectives necessary to meet the business needs of the Company. The Nomination Committee will evaluate candidates based on the Company's business model and specific needs with reference to the following factors, including but not limited to the provisions of the Articles of Association, skills, experience and expertise, diversity, commitment, status, and independence.

The procedure for nominating directors of the Company is as follows:

Within the number of the Board of Directors stipulated in the Articles of Association, persons entitled to nominate may propose candidates as directors according to the number of persons proposed.

(i) To make nominations, the chairman of the Nomination Committee shall convene the Nomination Committee meeting and invite nominations from the Board numbers, if any, for consideration by the Nomination Committee prior to the meeting. The Nomination Committee may nominate candidates not nominated as a director by the Board members.

(ii) The Nomination Committee conducts preliminary review on the qualifications and conditions of the candidates for Directors and submits qualified candidates to the Board of Directors for consideration; after consideration and approval by the Board of Directors, the candidates for Directors are submitted to the general meeting in the form of written proposal; the Nomination Committee or other organizations authorized by the Board of Directors are responsible for specific matters on the election of Directors.

(iii) In order to provide information on the candidates nominated by the Board for election at the general meeting and to invite shareholders to provide nominations, the Company will issue a circular to the shareholders, setting out the deadline for submission of nominations by the shareholders. The information on the candidates will be set out in the circular to the shareholders in accordance with the applicable laws, rules and regulations.

(iv) Until such time as a circular to the shareholders is issued, a nominee may not assume that he/she has been recommended by the Board for election at the general meeting.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy. The Board Diversity Policy provides that the Company should endeavor to ensure that our Board members have the appropriate balance from the perspectives of skills, experience and diversity to enhance the quality of their performance. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), independence, skills, and knowledge. The Company will also take into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

An analysis of the diversity of the existing Board composition is made below:

Professional qualifications and industry experience

Directors	Professional qualifications and industry experience
Executive Directors	
Mr. Zhang Weize (張偉澤)	Project management, marketing, property management, corporate governance
Mr. Yang Jun (楊軍)	Real estate development and sales, property management, corporate governance
Mr. Luo Zhou (羅周)	Real estate development and sales, property management, corporate governance
Mr. Yao Xin (姚昕)	Property management, corporate governance
Non-executive Directors	
Mr. Xie Ping (謝平)	Corporate governance, strategic planning, economic activity analysis
Mr. Mao Lei (毛磊)	Corporate governance, strategic planning, internal control construction
Independent Non-executive Directors	
Mr. Cheng Peng (程鵬)	Expert in the property industry field
Mr. Kong Weiping (孔偉平)	Expert in the legal field
Mr. Kong Chi Mo (江智武)	Expert in the financial accounting field

Age

Age Group	41 – 45	46 – 50	51 – 55
Number of Directors	2	3	4

Gender

Gender Group	Male	Female
Number of Directors	9	0

The Directors have a balanced mix of experiences, including operation management, marketing, legal, administrative management and accounting fields. Further, the age of the Board members ranges from 42 to 53 years old. One of the Company's Supervisors, namely Ms. Liu Fang, the Company's members of the senior management, namely Ms. Li Peng and Ms. Ma Suyan, and one of the Company's joint company secretaries, namely Ms. Mok Ming Wai, have practical experience in their respective fields, contributing to gender diversity of the Company's management team and bringing valuable views from a female perspective to our Board in managing our Company. Considering the significance of gender diversity, the Nomination Committee will endeavor to identify suitable female Director candidates through internal promotion, referrals, engaging employment agencies or other reasonable means, and make recommendations to our Board for consideration. The Company has made an undertaking in the Prospectus that the Company will appoint at least one female Director within one year from the Listing Date (i.e. by 9 November 2022) to ensure the effectiveness of the policy and to make recommendations to the Board on any amendment to the policy when necessary.

BOARD COMMITTEES

The Company has established five special committees under the Board, namely the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Strategy and Investment and ESG Committee, and the Risk and Compliance Management Committee. The special committees of the Board of Directors of the Company clearly stipulate their functions and powers in specific written terms. The working rules of the special committees of the Board have been published on the website of the Company (www.bcjps.com) and the website of the Stock Exchange (www.hkexnews.hk).

Audit Committee

During the period from the Listing Date to 31 December 2021, the Audit Committee consisted of three members, namely Mr. Kong Chi Mo (independent non-executive Director), Mr. Xie Ping (non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Kong Chi Mo served as the chairman of the Audit Committee. He has appropriate accounting and related financial management expertise, which complies with Rule 3.21 of the Listing Rules.

The primary duties of the Audit Committee include:

(i) Proposing the appointment, re-appointment or removal of the external auditor, and making recommendations to our Board and approving the remuneration and terms of engagement of the external auditor;

(ii) Reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the audit process, discussing the nature, scope, method and relevant reporting obligation of the audit with the auditor before the audit commences, formulating and implementing policies on engaging the external auditors to provide non-audit services;

(iii) Monitoring the authenticity, accuracy and completeness of our Company's financial statements, annual report and accounts, interim report and quarterly report (if any), and reviewing the material opinion on the financial reports contained in the financial statements and reports;

(iv) Reviewing our Company's systems of financial control, taking responsibility for the communication between our internal audit department and the external auditor, acting as the principal representative between our Company and the external auditor, and supervising the relationship between them;

(v) Taking responsibility for determination of the list of our connected persons, overall review of connected transactions and regular review of the overall situation of the Company's connected transactions; and

(vi) Other matters as authorized by our Board or required by relevant laws and regulations.

During the period from the Listing Date to 31 December 2021, the Audit Committee held one meeting in total, and reviewed and approved the proposal on Engagement of Accounting Firm for 2021.

Remuneration and Evaluation Committee

During the period from the Listing Date to 31 December 2021, the Remuneration and Evaluation Committee comprised three Directors, namely Mr. Cheng Peng (independent non-executive Director), Mr. Yang Jun (executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Cheng Peng served as the chairman of the Remuneration and Evaluation Committee. On 29 March 2022, upon resolution by the Board of Directors, non-executive Director Mr. Xie Ping was appointed as member of the Remuneration and Evaluation Committee, with a term of office from 29 March 2022 to the expiration of the term of the first session of the Board of Directors; executive Director Mr. Yang Jun ceased to be a member of the Remuneration and Evaluation Committee, with effect from 29 March 2022.

The primary duties of the Remuneration and Evaluation Committee include:

(i) Advising our Board on the overall policy and structure concerning remuneration of the Directors and senior management of our Company and on formulating a formal and transparent procedure for developing such remuneration policy;

(ii) Establishing the specific remuneration packages for all our executive Directors and senior management, including non-monetary benefits, pension rights and compensations (including compensations for loss of office or termination of employment or appointment), and advising our Board on the remuneration of the non-executive Directors;

(iii) Formulating the administrative measures for evaluating the performance of the senior management of our Company, setting up the evaluation program and determining the evaluation targets;

(iv) Reviewing the fulfillment of the duties by relevant Directors and senior management and assessing their annual performance;

(v) Discussing the policies and plans for the salary, benefits and rewards and punishments of our Company, advising our Board on such aspect and supervising the implementation of such policies and plans; and

(vi) Other matters as authorized by our Board or required by relevant laws and regulations.

During the period from the Listing Date to 31 December 2021, the Remuneration and Evaluation Committee held one meeting in total, and reviewed and approved the proposal on Implementation of the Tenure System and Contractual Management Plan for the Management Team.

Nomination Committee

During the period from the Listing Date to 31 December 2021, the Nomination Committee comprised three Directors, namely Mr. Zhang Weize (executive Director), Mr. Cheng Peng (independent non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Zhang Weize served as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include:

(i) Establishing the criteria, procedures and methods for selecting the Directors and senior management of our Company, and submitting them to our Board for deliberation;

(ii) Regularly reviewing the structure, member number and composition of our Board and their relevant qualifications (including skills, knowledge, experience and others) at least annually, and advising on any proposed changes to our Board to complement the Company's strategy;

(iii) Identifying the individuals qualified to serve as our Directors, and reviewing and advising on the candidates for the Directors, the general manager, the secretary of our Board and any other members at the management level;

(iv) Assessing the skills, knowledge and experience of the Directors and senior management comprehensively, and reviewing the independence of the independent non-executive Directors;

(v) Reviewing the Board diversity policy, and the measurable objectives that the Board has set for implementing the policy and progress on achieving those objectives; and

(vi) Other matters as authorized by our Board or required by relevant laws and regulations.

During the period from the Listing Date to 31 December 2021, the Nomination Committee did not hold any meeting as no selection of Director occurred and there was no change in the nomination policy of the Company.

Strategy and Investment Committee (Renamed to the Strategy and Investment and ESG Committee on 29 March 2022)

During the period from the Listing Date to 31 December 2021, the Strategy and Investment Committee comprises five Directors, namely Mr. Zhang Weize (executive Director), Mr. Yang Jun (executive Director), Mr. Luo Zhou (executive Director), Mr. Mao Lei (non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Zhang Weize serves as chairman of the Strategy and Investment and ESG Committee.

The primary duties of the Strategy and Investment and ESG Committee include:

(i) Conducting research and making recommendations on the long-term development strategic planning of the Company;

(ii) Conducting research and making recommendations on major investment and financing plans subject to the approval of the Board as provided by the Articles of Association;

(iii) Conducting research and making recommendations on the major capital operation and asset operation projects subject to the approval of the Board as provided by the Articles of Association;

(iv) Conducting research and making recommendations on any other major matters that affect the development of the Company;

(v) Assisting the Board in formulating and reviewing the Company's prospects, strategies, specific objectives and overall direction of sustainable development;

(vi) Carrying out the decisions of the Board on sustainable development;

(vii) Formulating and implementing management policies and specific measures related to sustainable development;

(viii) Specifying and implementing ESG-related work according to the major issues, strategies and guidelines derived from ESG materiality assessment;

(ix) Coordinating annual environmental, social and governance (ESG) reporting;

(x) Checking the implementation of the above matters;

(xi) Reviewing and approving disclosures in relation to the Company's sustainability framework, objectives and related performance that should be included in the annual report; and

(xii) Other matters as required by laws, regulations, the Articles of Association, the securities regulatory authority of the place where the shares of the Company are listed and authorized by the Board.

During the period from the Listing Date to 31 December 2021, the Strategy and Investment and ESG Committee held 1 meeting, and considered and approved the proposal on the Establishment of a Property Management Joint Venture by Capital Jiaye and Qing Long Company, an Enterprise in Yanqing District and the proposal on Capital Jiaye's Overall Development Plan under "14th Five-Year Plan".

Risk and Compliance Management Committee

During the period from the Listing Date to 31 December 2021, the Risk and Compliance Management Committee comprises five Directors, namely Mr. Yang Jun (executive Director), Mr. Zhang Weize (executive Director), Mr. Yao Xin (executive Director), Mr. Xie Ping (non-executive Director), and Mr. Kong Weiping (independent non-executive Director). Mr. Yang Jun serves as the chairman of the Risk and Compliance Management Committee.

The primary duties of the Risk and Compliance Management Committee include:

(i) Conducting special research and giving advice for and to the Board in performing its risk management duties which include the establishment of a comprehensive risk management system for the Company, and being authorized by the Board to independently perform risk management duties which include risk assessment of significant decisions and review of the annual risk management report of the Company;

(ii) Conducting research and giving advice for and to the Board in performing its internal control duties which include discussing the internal control system with the management to ensure that the management has fulfilled its responsibilities of the establishment of an effective internal control system;

(iii) Conducting special research and giving advice for and to the Board in performing its compliance management duties which include approving corporate compliance management strategic plans, basic systems and annual reports and promoting the improvement of the compliance management system; and being authorized by the Board to independently perform compliance management duties which include holding regular meetings, discussing major compliance management issues, and coordinating, organizing and propelling the integration of risk, internal control and compliance management;

(iv) Conducting research and giving advice to the Board in performing its duties of legal compliance.

During the period from the Listing Date to 31 December 2021, the Risk and Compliance Management Committee did not hold any meeting.

GENERAL MEETINGS, BOARD OF DIRECTORS AND THE BOARD COMMITTEES' MEETINGS

The general meeting is the highest authority of the Company. It provides an opportunity for direct communication and a sound relationship between the shareholders of the Company and the Board and senior management. The Company attaches great importance to the general meeting. During the year, the Company held a total of four general meetings, including one AGM and three extraordinary general meetings, namely the 2021 first extraordinary general meeting of the Company held on 9 February 2021, the 2021 second extraordinary general meeting of the Company held on 23 April 2021, the 2020 AGM of the Company held on 28 June 2021 and the 2021 third extraordinary general meeting of the Company held on 11 October 2021. Except for the 2021 first extraordinary general meeting, which was convened in Conference Room 1, 3/F, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, all other meetings were convened in Conference Room 2, 3/F, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing.

A total of 24 proposals (including sub-proposals) were considered and approved at the above four general meetings, the contents of which mainly include the listing of the Company's H Shares, election of Directors, and amendment to the Articles of Association. The convening, holding and voting procedures for each general meeting are legal and valid, and all the resolutions submitted at the general meetings were passed.

Regular meetings of the Board shall be held at least four times a year, and shall be convened by the Chairman of the Board. All Directors and Supervisors shall be given not less than fourteen days' notice for regular Board meetings. For other meetings of the Board and special committees under the Board, reasonable notice will be given.

Code Provision C.5.8 of the Corporate Governance Code stipulates that for regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent, in full, to all directors. These should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed periods).

The Board of Directors convened eight meetings during the year and considered and approved a total of 86 resolutions. The resolutions mainly involved the listing of the Company's H Shares, the election of members of the Board of Directors and the special committees under the Board, and the amendments to the Articles of Association.

The following table sets out the attendance of each of our Directors at the meetings of the Board and the special committees under the Board and general meetings during the year:

	Number of attendance/Number of meetings held						
Name of Director	**Board**	**Audit Committee**	**Nomination Committee** *(Note 2)*	**Remuneration and Evaluation Committee**	**Strategy and Investment and ESG Committee**	**Risk and Compliance Management Committee** *(Note 2)*	**General meeting**
Mr. Zhang Weize	8/8	N/A	0/0	N/A	1/1	0/0	4/4
Mr. Yang Jun	8/8	N/A	N/A	1/1	1/1	0/0	4/4
Mr. Luo Zhou	7/8	N/A	N/A	N/A	1/1	N/A	4/4
Mr. Yao Xin	8/8	N/A	N/A	N/A	N/A	0/0	4/4
Mr. Xie Ping	8/8	1/1	N/A	N/A	N/A	0/0	4/4
Mr. Mao Lei	8/8	N/A	N/A	N/A	1/1	N/A	4/4
Mr. Cheng Peng *(Note 1)*	1/2	N/A	0/0	1/1	N/A	N/A	1/1
Mr. Kong Weiping *(Note 1)*	2/2	1/1	0/0	1/1	1/1	0/0	1/1
Mr. Kong Chi Mo *(Note 1)*	2/2	1/1	N/A	N/A	N/A	N/A	1/1

Notes:

1. Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo were appointed as independent non-executive Directors with effect from 11 October 2021.

2. As the Nomination Committee and Risk and Compliance Management Committee of the Company were established on 10 November 2021, no meetings of the above-mentioned special committees of the Board were held during the year.

DIRECTORS' TRAINING AND CAREER DEVELOPMENT

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills. The Company has arranged training for its Directors and provided them with reading material on relevant topics. Every newly appointed Director shall receive a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company. In addition, in preparation for the Global Offering, all Directors have received formal and comprehensive training regarding their responsibilities and obligations under the Listing Rules and relevant laws. All Directors have been trained in respect of the duties and responsibilities of Directors, the relevant laws and regulations applicable to Directors and the duty of disclosure of interests, and have read materials relevant to the Company's business or the Directors' functions and powers.

Training received by Directors for the year ended 31 December 2021:

Directors	Types of training Note
Mr. Zhang Weize	A, B
Mr. Yang Jun	A, B
Mr. Luo Zhou	A, B
Mr. Yao Xin	A, B
Mr. Xie Ping	A, B
Mr. Mao Lei	A, B
Mr. Cheng Peng	A, B
Mr. Kong Weiping	A, B
Mr. Kong Chi Mo	A, B

Note: Types of training

A: Attending training sessions, including but not limited to, briefings, seminars and conferences.

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications.

THE REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration of the Directors and chief executives and the respective remuneration of the five highest paid individuals for the year ended 31 December 2021 are set out in Note 9 to the consolidated financial statements.

The remuneration level of the Company's senior management (excluding Directors) for the year ended 31 December 2021 is set out below:

Remuneration level (RMB)	Number of persons
0-500,000	3
500,001-1,000,000	1

CORPORATE GOVERNANCE FUNCTION

The Board has a duty to perform the functions set out in Code Provision A.2.1 of the Corporate Governance Code.

During the period from the Listing Date to 31 December 2021 and up to the date of this report, the Board has developed and reviewed the issuer's policies and practices on corporate governance and made recommendations to the Board; reviewed and monitored the training and continuing professional development of Directors and senior management and the issuer's policies and practices in relation to compliance with legal and regulatory requirements; developed, reviewed and monitored the code of conduct and compliance manual to employees and Directors; and reviewed the issuer's compliance with the Code and disclosure in the Corporate Governance Report.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged for appropriate insurance cover for Directors' and Officers' liabilities in respect of any legal actions against them arising out of the Company's business, and the insurance coverage will be reviewed annually.

RISK MANAGEMENT AND INTERNAL CONTROL

Focusing on the "14th Five-Year Plan" strategic plan and annual operational development targets, the Group firstly has each department and subsidiaries of the Company (hereinafter referred to as the units) collect risk information and conduct risk identification, analysis and assessment. Secondly, the risk assessment results from the above-mentioned units are summarized and submitted to the lead department of the Company for risk management, and a list of significant risks of the Group (or a database of significant risks) is formed upon sorting. Upon approval by the general manager, such significant risks will be listed as the focus of internal control of the Group. The six major risks, namely strategic risk, financial risk, market risk, operating risk, compliance risk and legal risk are the main targets for the Group's risk management and also serve as a guide and direction for the construction of the internal control system. The Group adopts a policy that manages risks from multiple dimensions of risk avoidance, control and acceptance according to the level of risk ranging from significant to slight.

By implementing the internal control system, the Group controls risks associated with its business operations and subject to management from dimensions of risk control and acceptance. Each business department of the Company and its subsidiaries are the first line of defense for the above risk management, which implement risk control measures in business processing and operations. The Company's legal and compliance department, as a comprehensive risk management functional department, forms the second line of defense together with other functional departments, responsible for professional risk management and playing a role in addressing gaps in risk control by enhancing and monitoring risk management. The Company has also established an internal audit mechanism for risk management, which is also an internal control monitoring and evaluation mechanism, i.e. the audit department (currently the audit post of the Board Secretariat) is responsible for monitoring and evaluating risk management and internal control. This is the third line of defense for the Group's risk management.

In respect of financial risk, the Company has formulated and implemented a financial reporting management system, and adopted a series of control measures such as internal approval and external audit to reasonably ensure the effective internal control over financial reporting and the financial reporting risks within control. Regarding the safety production management risks, by establishing a safety production management system and formulating safety accident prevention and control measures, the Company strictly implements the main body responsibility of the enterprise. For the non-compliance risk associated with property management services, a service standard system has been set in place to clarify compliance obligations and effectuate compliance operation.

The Board is of the view that the Group's risk management and internal control systems worked well in 2021 and thus the overall risk level was within the tolerable range of the Group.

The Board confirms that it is responsible for the Group's risk management and internal control systems and regularly reviews the effectiveness of such systems; acknowledges that such risk management and internal control systems are designed to manage the risks associated with the achievement of business objectives but not to eliminate the risk of failure to achieve business objectives; and can only make reasonable rather than absolute assurance that no material misstatement or loss will result.

PROCEDURES FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company maintains a policy on disclosure of inside information with reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission. The policy sets out procedures and internal controls for handling and disseminating inside information in an appropriate and timely manner, such as taking steps to determine sufficient details, conducting internal assessment of the matter and its possible impact on the Company, seeking professional advice when required and verifying the facts. Anyone in possession of the information must ensure such information is kept in strict confidentiality and is not allowed to buy or sell any securities of the Company until the information is fully disclosed to the public.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RELATION TO FINANCIAL STATEMENTS

The Directors understand their responsibility for preparing the financial statements of the Company for the year ended 31 December 2021, which give a true and fair view of the condition of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Directors were not aware of any material uncertainties which may cast significant doubt upon the Group's ability to continue as a going concern.

The auditor's statement on its reporting responsibilities in respect of the Group's consolidated financial statements is set out in the Independent Auditor's Report in this annual report.

AUDITOR'S REMUNERATION

For the year ended 31 December 2021, the Company's remuneration to the external auditor of the Company, KPMG, for audit services for 2021 was RMB2.3 million. Apart from this, the Company's external auditor did not provide any other audit or non-audit services to the Company during the year.

JOINT COMPANY SECRETARIES OF OUR COMPANY

Mr. Xu Lude (deputy general manager and secretary to the Board of the Company) and Ms. Mok Ming Wai (executive director of corporate services of our external service provider: Tricor Services Limited) have been appointed as the joint company secretaries of the Company.

Mr. Xu Lude has been designated as the principal contact person of the Company and will cooperate and communicate with Ms. Mok Ming Wai on corporate governance matters of the Company.

During the year ended 31 December 2021, Mr. Xu Lude and Ms. Mok Ming Wai have received relevant professional training of not less than 15 hours respectively in accordance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

In order to safeguard the interests and rights of shareholders, the Company proposes separate resolutions on significant events (including the election of individual director) at general meetings. All resolutions proposed at general meetings will be voted by poll pursuant to the Listing Rules, and the poll results will be published on the websites of the Company and the Stock Exchange upon the conclusion of each general meeting.

Convening of an Extraordinary General Meeting

Pursuant to Article 67 of the Articles of Association, shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting, and shall put forward such request to the board of directors in writing. The board of directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days after the resolution is made by the board of directors. In the event of any changes to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the board of directors does not agree to convene the extraordinary general meeting, or fails to respond within ten (10) days upon receipt of the proposal, shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company shall be entitled to propose to the supervisory committee to convene an extraordinary general meeting, and shall put forward such request to the supervisory committee in writing.

If the supervisory committee agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days upon receipt of the said request. In the event of any changes to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice of extraordinary general meeting or class meeting within the prescribed period, the supervisory committee shall be deemed as failing to convene and preside over such general meeting, and the shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over such meeting by itself/themselves.

The shareholding of the convening shareholders shall be no less than ten per cent (10%) before a resolution passed at the general meeting is announced.

Pursuant to Article 68 of the Articles of Association, when the shareholders convene and preside over a meeting by themselves in accordance with the provisions therein, a written notice shall be sent to the board of directors and, in accordance with applicable regulations, filed with the local securities regulatory authorities and relevant stock exchange at the place where the Company is located; the board of directors and the secretary to the board of directors shall cooperate in terms of such meetings, and the board of directors shall provide the register of shareholders on the shareholding record date; the expenses reasonably accrued therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent directors.

Proposing Resolutions at a General Meeting

According to Article 70 of the Company's Articles of Association, shareholder(s) individually or jointly holding more than three per cent (3%) of the Company's shares may submit a written provisional motion to the convener ten (10) days before a general meeting is convened; the convener shall issue a supplementary notice of general meeting within two (2) days after receipt of the said provisional motion, to announce the content of the provisional proposal, and include the matters that fall within the scope of the duties of the general meeting in the proposal into the agenda of the meeting and submit them to the general meeting for consideration.

Enquiries to the Board

The Company maintains a website at www.bcjps.com, where information on the Company's businesses and projects, key corporate governance policies and announcements, financial reports and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company by the following ways:

Address: 8/F, Building A, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, PRC
Email: jcjy@bcjps.com

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with shareholder is essential to enhance investor relations and to keep investors informed of the Group's business performance and strategies. The Company has developed and posted the Rules on Shareholder Communication Policy on our website www.bcjps.com, and has reviewed its implementation and effectiveness. The Company has established various and a wide range of communication channels with shareholders, including general meeting, annual results and interim results, annual and interim reports, announcements and circulars and performance conference. To facilitate the communication between the Company and investors, the Company holds meetings, briefings and roadshows with investors and analysts from time to time. Apart from that, the Company invites investors and business stakeholders to visit our management site every now and then, giving them the opportunities to meet with the local management and visit our facilities. During their visits, the Company collects feedback from visitors on our performance and learns about their expectations. Under the Rules on the Shareholder Communication Policy, the shareholders may make enquires with the Company, and provide comments and recommendations to the directors or managements at any time. Upon receipt of written enquiries from shareholders, the Company will make actual responses to the shareholders as soon as possible. In addition, the Company updates its website from time to time to keep the shareholders updated of the recent development of the Company. The Company endeavors to maintain an ongoing dialogue with shareholders. At the AGM, the directors (or their delegates as appropriate) are available to meet with the shareholders and answer their enquiries.

DIVIDEND POLICY

The Company considers stable and sustainable returns to the shareholders to be its goal. The recommendation of the payment of dividend is subject to the absolute discretion of the Board of Directors. Any declaration of final dividend for the year will be subject to the approval of the shareholders. The Company currently does not have a predetermined dividend payout ratio. The Board may declare, and the Company may pay, dividends after taking into account the results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as it may deem relevant.

For details of the dividend distribution for the year ended 31 December 2021, see final dividend in the "Report of the Board of Directors".

EMPLOYEE DIVERSITY

The Group insists on the principle of fairness and voluntariness in recruitment, and does not impose any restrictive requirements on gender, ethnicity, nationality and region. In order to avoid child labour and forced labour, we, in strict compliance with the provision of Article 15 of the Labour Law of the People's Republic of China, ban the employer from recruiting juveniles under the age of 16, and strictly check whether the actual age of the candidates meets the employment criteria by checking their identity card, etc. By the end of 31 December 2021, the Group had 2,051 employees in total.

The indicators on employees of the Group in 2021 are as follows:

Name of indicator	At the end of 2021 (persons)	Percentage of total number of employees at the end of 2021
Male employees	1,172	57.15%
Female employees	879	42.85%
Employees aged 30 and under	376	18.33%
Employees aged from 31 to 50	1,261	61.48%
Employees aged 51 or above	414	20.19%

ARTICLES OF ASSOCIATION

The existing Articles of Association shall be adopted after deliberation and approval at the extraordinary general meeting on 23 April 2021, and shall take effective on the Listing Date. There were no changes in the Articles of Association from the Listing Date to 31 December 2021. The latest version of the Articles of Association is available on the Company's website (www.bcjps.com) and the website of the Stock Exchange (www.hkexnews.hk).

The Board is pleased to present its directors' report and the audited consolidated financial statements of the Company for the year ended 31 December 2021.

GENERAL INFORMATION AND INITIAL PUBLIC OFFERING

The Company was established in the PRC on 22 December 2020 and is now a joint stock company with limited liability. 36,667,200 H Shares of the Company with a nominal value of RMB1.0 each were listed on the Main Board of Stock Exchange on 10 November 2021, with an offer price of HK$8.28 per H Share.

PRINCIPAL ACTIVITIES

The Group is engaged in the provision of fundamental property services, value-added services to non-property owners and community value-added services.

BUSINESS REVIEW

The business review of the Group for 2021 and the future business development of the Company are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

"Management Discussion and Analysis" of this annual report contains part of the analysis on the Group's annual performance using key financial performance indicators. For explanations on the major relations between the Company and its employees, customers and suppliers, please refer to the section headed "Directors' Report" of this annual report.

These discussions form part of the directors' report.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021, consolidated statement of financial position as at 31 December 2021 of the Group are set out on the consolidated financial statements on pages 74 to 80 of this annual report.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.1581 per share (tax inclusive) in cash for the year ended 31 December 2021 with a proposed dividend payout ratio equivalent to approximately 30%. The dividend proposal is subject to the approval of shareholders at the annual general meeting of the Company to be held on Tuesday, 31 May 2022 (the "**2021 AGM**"), and the proposed final dividend is expected to be paid on or before Friday, 29 July 2022. The proposed final dividend will be declared in Renminbi and distributed in Hong Kong dollars (H Shares) and Renminbi, and the exchange rate will be the average of the middle rate of the exchange rate published by the People's Bank of China one calendar week prior to the date of declaration of proposed final dividend.

2021 AGM

The 2021 AGM will be held on Tuesday, 31 May 2022. The notice of the 2021 AGM will be published on the Company's website (www.bcjps.com) and the website of the Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders in the manner prescribed under the Listing Rules in due course.

DIVIDEND TAXATION

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) with effect on 1 January 2008 and being revised on 24 February 2017 and 29 December 2018, the Implementation Regulations on the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) with effect on 1 January 2008 and being revised on 23 April 2019, and the Notice on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Shares holders who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (國稅函[2008]897號) issued with effect on 6 November 2008 by State Taxation Administration, etc., any Chinese domestic enterprise which pays dividend to a non-resident enterprise shareholder in respect of annual dividends of and after 2008 shall withhold and pay 10% enterprise income tax for such shareholder for fiscal periods after 1 January 2008. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise shareholders (i.e. any shareholders who hold the Company's H shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups) whose names appear on the register of members of H Shares of the Company. Upon receipt of such dividends, an overseas non-resident enterprise shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties (arrangements) in person or through a proxy or the Company and provide evidence in support of its status as a beneficial owner as defined in the tax treaties (arrangements). Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties (arrangements) will be refunded.

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045 號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the "**No. 348 Circular**") issued on 28 June 2011, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China as well as the tax arrangements between China and Hong Kong or Macau. Pursuant to the No. 348 Circular, individual income tax at a tax rate of 10% may in general be withheld in respect of the dividend or bonus income to be distributed by the PRC non-foreign-invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders, without any application for favourable tax treatments. However, the tax rate for each overseas resident individual shareholder may vary depending on the relevant tax agreements between the countries of its domicile and the PRC.

If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders. If such shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such shareholders and according to the relevant tax treaties, for the relevant agreed preferential tax treatment, provided that the relevant shareholders submit the relevant documents and information required by the Administrative Measures on Enjoying Treatment under Tax Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) and the provisions of the relevant tax treaties in a timely manner. The Company will assist with the tax refund of additional amount of tax withheld and paid subject to the approval of the competent tax authorities.

If the individual holders of H shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such shareholders.

Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H shares of the Company in the PRC and in Hong Kong and other tax effects.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Thursday, 26 May 2022 to Tuesday, 31 May 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the Shareholders to attend and vote at the 2021 AGM, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or the Office of the Board of Directors of the Company at 8/F, Building A, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, PRC (holders of Domestic Shares) not later than 4:30 p.m. on Wednesday, 25 May 2022,for registration. Shareholders whose names appear on the register of members of the Company on Tuesday, 31 May 2022 are entitled to attend and vote at the 2021 AGM.

For the purpose of determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 7 June 2022 to Tuesday, 14 June 2022, both days inclusive, during which period no transfer of shares will be registered. In order to determine the Shareholders' entitlement to the proposed final dividend, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or the Office of the Board of Directors of the Company at 8/F, Building A, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, PRC (holders of Domestic Shares) not later than 4:30 p.m. on Monday, 6 June 2022, for registration. Shareholders whose names appear on the register of members of the Company on Tuesday, 14 June 2022 are entitled to receive the proposed final dividend.

SHARE CAPITAL

The Company issued 36,667,200 H Shares at HK$8.28 per share on 10 November 2021.

For the year ended 31 December 2021, details of the changes in share capital of the Company are set out in Note 24(b) to the financial statements.

DEBENTURES

The Company did not issue any debentures for the year ended 31 December 2021.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and community in which it operates. The Group operates its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations. Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Group for the year ended 31 December 2021 to be published in due course in accordance with the Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and the management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company. For the year ended 31 December 2021, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group for the year ended 31 December 2021 are set out in the consolidated statement of changes in equity and in the section headed "Consolidated Statement of Changes in Equity" of this annual report.

As at 31 December 2021, our aggregate amount of reserve available for distribution to equity Shareholders of the Company was approximately RMB291 million.

INVESTMENT PROPERTIES

As at 31 December 2021, the details of the Group's significant properties held for investment are set out as follows:

Property address	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2021
1. Room 201, Unit 5, Block No.35 of Longhuayuan Community, Huilongguan Town, Changping District, Beijing, the PRC	The property comprises a residential unit on Level 2 of a 7-storey residential building completed in 1995 with a total gross floor area of approximately 66.44 sq.m. The property is located at the south of Huilongguan West Road, the west of Yuzhi West Road, Changping District, Beijing. Developments nearby are commercial and residential buildings. The property is planned for residential use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the property. The land use rights have been granted for residential use for an unspecified land use term	As at 31 December 2021, the Valuation Date, the property was subject to a tenancy at a monthly rent of RMB4,000 and is now subject to a new tenancy at a monthly rent of RMB4,200 with the expiry date in 2022.	RMB3,130,000

Property address	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2021
2. Room 112, Level 1 and 2, Block No. Jia 406 of Cuichengxinyuan Community, Chaoyang District, Beijing, the PRC	The property comprises a unit on Level 1 and 2 of a 2-storey building completed in 2008 with a total gross floor area of approximately 214.06 sq.m. The property is located at the west of Wuji Road, the north of Nanwu Road, Chaoyang District, Beijing. Developments nearby are commercial and residential buildings. The property is planned for public supporting facilities use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the property. The land use rights of the property have been granted for a term of 40 years due to expire on 4 April 2047 for commercial use.	As at 31 December 2021, the Valuation Date, the property was subject to a tenancy at a monthly rent of RMB25,000 with the expiry date in 2022.	RMB4,670,000
3. Level 1, Block No. 1 of Enjili Community, Haidian District, Beijing, the PRC	The property comprises Level 1 of a 7-storey commercial building completed in 1993 with a total gross floor area of approximately 833.89 sq.m. The property is located at the east of Enjili Kindergarten, the south of Linglong Road, Haidian District, Beijing. Developments nearby are commercial and residential buildings. The property is planned for commercial use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the property. The land use rights are held for an unspecified land use term.	As at 31 December 2021, the Valuation Date, the property was fully leased out subject to various tenancies at a total monthly rent of RMB120,000 with the latest expiry date in 2022.	RMB25,440,000

Property address	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2021
4. Level 1 and 2, Block No. 27 of Enjili Community, Haidian District, Beijing, the PRC	The property comprises Level 1 and 2 of a 7-storey commercial building completed in 1993 with a total gross floor area of approximately 2,393.57 sq.m. The property is located at the north of West Balizhuang Road, the south of Liuyi Primary School, Haidian District, Beijing. Developments nearby are commercial and residential buildings. The property is planned for commercial use; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the property. The land use rights are held for an unspecified land use term.	As at 31 December 2021, the Valuation Date, the property was leased out subject to various tenancies at a total monthly rent of RMB350,000 with the latest expiry date in 2024.	RMB71,990,000

Further details about the Group's properties held for investment are set out in Note 11 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group for the year ended 31 December 2021 are set out in Note 12 to the consolidated financial statements.

INTANGIBLE ASSETS

Details of the movements in intangible assets of the Group for the year ended 31 December 2021 are set out in Note 13 to the consolidated financial statements.

BORROWINGS

As at 31 December 2021, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

As at 31 December 2021, the Group had no pledge of assets.

DIRECTORS' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

Directors' emoluments and the five highest paid individuals' remuneration of the Company for the year ended 31 December 2021 are set out in Notes 8 and 9 to the consolidated financial statements of the Group.

There was no arrangement under which a director, supervisor or senior management officer has waived or agreed to waive any remuneration for the year ended 31 December 2021.

The emoluments of the Directors and senior management were subject to the confirmation by the Remuneration and Evaluation Committee of the Company. The Company strictly abided by the requirements under the relevant standards and policies of the Company with regard to the emoluments of the Directors and senior management. Directors' emoluments (including salaries and other benefits) were recommended by the Remuneration and Evaluation Committee of the Company to the Board for approval upon taking into account factors such as the Company's business results and Directors' performance and responsibilities.

RETIREMENT BENEFIT PLAN

(1) Basic Pension Insurance

All full-time employees of the Group are covered by the basic pension insurance formulated by the government according to the national policy. The Group was required to make specified contributions to the basic pension insurance, limited to a maximum rate of 20% (2020: 20%) of the employees' basic salaries subject to certain ceiling as stipulated by the government for the year ended 31 December 2021. And the employee was required to make contributions to the basic pension insurance in proportion to his/her salary as stipulated by the government. After an employee reaches the statutory retirement age, he or she will receive a basic pension on a monthly basis. In 2021, the basic pension insurance premium paid by the Group amounted to approximately RMB28.78 million (2020: RMB4.74 million). Except for the above monthly paid premiums, the Group does not undertake further payment obligations. The corresponding expenses are included in current profit or loss or the cost of related assets when they are incurred. In addition, the Group has maintained an enterprise annuity scheme. The expenses required for the enterprise annuity are jointly paid by the enterprise and employees. Employees may choose to join the Company's enterprise annuity scheme on a voluntary basis. For the year ended 31 December 2021, the aggregate enterprise annuity expenses of the Company amounted to approximately RMB5.70 million (2020: RMB5.24 million). The expenditure is included in the current profit or loss or the cost of related assets when they are incurred. As at 31 December 2021, no forfeited contributions were available to reduce its contributions to the defined contribution retirement plans administered by the Group in future years.

(2) Defined Benefit Retirement Plans

For the year ended 31 December 2021, the Group had a defined benefit retirement plans to pay post-employment benefits to certain of our retirees, inactive employees and active employees after their normal retirement age in the PRC. No assets provision was made in respect of the defined benefit retirement plans, and the Company planned to use the daily operation funds for the relevant payments of the plan and recognized that there was no material deficiency. The actuarial valuations of the present value of the defined benefit retirement plans were carried out by an independent firm of actuaries, Willis Towers Watson, a member of China Association of Actuaries, using the Projected Unit Credit actuarial cost method, the significant actuarial assumptions of which included discount rate, annual turnover rate, annual increase rate of medical benefits and mortality rate. As at 31 December 2021, the present value of the defined benefit obligations amounted to RMB66,342 thousand (31 December 2020: RMB59,449 thousand).

Details of the retirement benefit plan of the Group are set out in Note 22 to the consolidated financial statements.

VIII. Report of the Board

FOUR YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the past four financial years is set out in the section "Four Year Financial Summary" of this annual report.

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

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

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date and up to 31 December 2021.

RIGHTS OF PRE-EMPTION

According to the PRC laws and the Articles of Association, there is no arrangement for the rights of pre-emption.

TAX RELIEF AND EXEMPTION TO HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders of the Company due to their holding of the Company's securities.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2021, no equity-linked agreement was entered into by the Group or still in effect.

DIRECTORS AND SUPERVISORS

For the year ended 31 December 2021 and up to the date of this report, the Directors of the Company include:

Name of Directors	**Position**
Mr. Zhang Weize *(Chairman) (appointed on 22 December 2020)*	Executive Director
Mr. Yang Jun *(appointed on 22 December 2020)*	Executive Director
Mr. Luo Zhou *(appointed on 22 December 2020)*	Executive Director
Mr. Yao Xin *(appointed on 22 December 2020)*	Executive Director
Mr. Xie Ping *(appointed on 22 December 2020)*	Non-executive Director
Mr. Mao Lei *(appointed on 22 December 2020)*	Non-executive Director
Mr. Cheng Peng *(appointed on 11 October 2021)*	Independent non-executive Director
Mr. Kong Weiping (appointed on 11 October 2021)	Independent non-executive Director
Mr. Kong Chi Mo (appointed on 11 October 2021)	Independent non-executive Director

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received the annual confirmation letter of independence from each of the independent non-executive Directors (namely Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo) pursuant to Rule 3.13 of the Listing Rules, and the Company is of the view that all such Directors are independent persons for the year ended 31 December 2021.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract with the Company and the principal particulars of the service contracts of the Directors and Supervisors are: (a) each of the contracts is for a term until 22 December 2023 following their respective appointment dates; and (b) each of the contracts is subject to termination upon expiration of the respective term of office of each of the Directors and Supervisors. The service contracts may be renewed in accordance with the Articles of Association and applicable rules.

The term of office of the current Board of Directors and the current Board of Supervisors will expire on 22 December 2023. Save as disclosed above, as of 31 December 2021, none of the Directors or Supervisors has a service contract with the Company which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

MATERIAL INTERESTS OF DIRECTORS AND SUPERVISORS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

For the year ended 31 December 2021, no Director, Supervisor or any entity connected with the Directors or Supervisors of the Company is materially interested in, either directly or indirectly, any material transactions, arrangements or contracts relating to the business of the Company to which the Company or any of its subsidiaries is a party.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

For the year ended 31 December 2021, no Directors or any of their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete with the Company's business as required to be disclosed under Rule 8.10 of 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 31 December 2021, none of the Directors, Supervisors and chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO); or which are recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2021 were there any rights to acquire benefits by means of the purchase of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no subsisting arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

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

As at 31 December 2021, the persons (other than Directors, Supervisors and chief executives of the Company) or corporations who had an interest or short position in the shares and/or underlying shares of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

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

Notes:

1. The letter "L" denotes the person's long position in the shares and the letter "S" denotes the person's short position in the shares.

2. Calculated based on the Company's 110,000,000 domestic shares or 36,667,200 H shares in issue as at 31 December 2021.

3. Calculated based on the total number of 146,667,200 shares of the Company in issue as at 31 December 2021.

4. 41.86% of the shares of BUCID are held by BUCG Group; Beijing Uni.-Construction Group Co., Ltd. is directly and wholly owned by Beijing Urban Construction Group Co., Ltd.

5. Based on the disclosure of interests form submitted by Hua An Fund Management Co., Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, Hua An Fund Management Co., Ltd. is the asset manager of two QDII asset management plan products including (1) Hua An Fund – Jinying QDII Single Asset Management Plan and (2) Hua An Fund – Jinxi QDII Single Asset Management Plan. Based on the disclosure of interests form submitted by Beijing Urban Construction Sixth Group Co., Ltd. on 11 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction Sixth Group Co., Ltd. is the principal of the above-mentioned Hua An Fund – Jinxi QDII Single Asset Management Plan. Based on the disclosure of interests form submitted by Beijing Urban Construction Great Wall Construction Group Co. Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction Great Wall Construction Group Co. Ltd. is the principal of the above-mentioned Hua An Fund – Jinying QDII Single Asset Management Plan.

6. Based on the disclosure of interests form submitted by Lushang Group (Hongkong) Co., Limited on 19 November 2021 in respect of the relevant event that occurred on 10 November 2021, Lushang Group (Hongkong) Co., Limited holds 5,002,800 H shares of the Company as a beneficial owner.

7. Based on the disclosure of interests form submitted by Beijing Urban Construction North Group Co., Ltd. on 12 November 2021 and HWABAO TRUST CO., LTD on 18 November 2021 in respect of the relevant event that occurred on 10 November 2021, Beijing Urban Construction North Group Co., Ltd. holds 3,686,000 H shares of the Company (as an asset principal) through the investment product – Hwabao Overseas Market Investment II (45-15 QDII Single Fund Trust) of HWABAO TRUST CO., LTD (as a trustee).

8. Based on the disclosure of interests form submitted by Hu Junxing on 15 November 2021 and Caitong Fund Caitong Overseas 130 (QDII) Single Asset Management Plan on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through Beijing Urban Construction Far East Construction Investment Group Co., Ltd. Beijing Urban Construction Far East Construction Investment Group Co., Ltd. is 55% owned by Beishi Investment Group Co., Ltd., which is 51.35% owned by Hu Junxing. Beijing Urban Construction Far East Construction Investment Group Co., Ltd. (as an asset principal) holds 3,617,600 H shares of the Company through Caitong Fund Caitong Overseas 130 (QDII) Single Asset Management Plan.

9. Based on the disclosure of interests form submitted by Caitong Securities Co., Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through Caitong Fund Management Co., Ltd. Caitong Fund Management Co., Ltd. is 40% owned by Caitong Securities Co., Ltd.

10. Based on the disclosure of interests form submitted by Glodon Company Limited on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through its direct wholly-owned subsidiary Glodon (Hong Kong) Software Limited. Diao Zhizhong indirectly controls 16% of the equity of Glodon Company Limited.

Save as disclosed above, as at 31 December 2021, 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.

PERMITTED INDEMNITY PROVISION

The Company has maintained liability insurance for the Directors, Supervisors and senior management to protect them from any legal liability to any third party arising from corporate activities.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2021.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

BUCG Group, a controlling Shareholder of the Company, entered into a non-competition agreement dated 11 October 2021 in favor of the Company. Please refer to "Relationship with Controlling Shareholders -Non-Competition Agreement" in the Prospectus of the Company dated 29 October 2021 for more details.

For the year ended 31 December 2021, BUCG Group, our controlling Shareholder, confirmed that it had complied with the non-competition undertaking.

The independent non-executive Directors have reviewed the confirmation letter in relation to BUCG Group's compliance with the non-competition undertaking for the year ended 31 December 2021.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2021, the total procurement from the five largest suppliers of the Group was less than 30% of the total procurement of the Group, and the total revenue from the five largest customers was also less than 30% of the total revenue of the Group.

CONTROLLING SHAREHOLDERS' INTERESTS IN SIGNIFICANT CONTRACTS

Saved as disclosed under "Continuing Connected Transaction", neither the Company nor any of its subsidiaries entered into any significant contracts with the controlling shareholders of the Company or any of its subsidiaries for the year ended 31 December 2021.

CONTINUING CONNECTED TRANSACTION

From the Listing Date to the year ended 31 December 2021, the Group entered into a number of non-exempted continuing connected transactions with the following connected persons. The Group has made the following relevant disclosures in accordance with the requirements of the Listing Rules:

1. Trademark Licensing

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries) entered into a trademark licensing framework agreement with BUCG (for itself and on behalf of its associates) (the "**Trademark Licensing Framework Agreement**"), pursuant to which BUCG and its associates agreed to irrevocably and unconditionally grant to our Group non-transferable and non-exclusive license to use certain trademarks registered in the PRC or Hong Kong (the "**Licensed Trademarks**") on a royalty-free basis, for a term commencing from the date of the Trademark Licensing Framework Agreement up to and including 31 December 2023.

2. BUCG Property Leasing Framework Agreement

On 11 October 2021, our Company entered into a property leasing framework agreement with BUCG (the "**BUCG Property Leasing Framework Agreement**"), pursuant to which, (i) our Group agreed to lease certain properties from BUCG and its associates, including but not limited to houses, office buildings and carpark spaces; and (ii) BUCG and its associates agreed to lease certain properties from our Group, including but not limited to houses, office buildings and carpark spaces, for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps, which refer to both estimated rental expenses and recognition of right-of-use assets from certain property leases, for our Group's leases from BUCG and its associates under the BUCG Property Leasing Framework Agreement are RMB11 million (among which approximately RMB7.1 million will be recognized as right-of-use assets from the certain property leases, and approximately RMB3.9 million will be rental expenses), RMB13.8 million (among which approximately RMB2.6 million will be recognized as right-of-use assets from certain property leases, and approximately RMB11.2 million will be rental expenses) and RMB12.9 million (among which approximately RMB0.5 million will be recognized as right-of-use assets from certain property leases, and approximately RMB12.4 million will be rental expenses), respectively. The annual caps for BUCG' and its associates' lease from our Group under the BUCG Property Leasing Framework Agreement are RMB6.1 million, RMB20.8 million and RMB27.4 million, respectively. For the year ended 31 December 2021, the total transaction amount arising from the lease of our Group from BUCG and its associates under the BUCG Property Leasing Framework Agreement was RMB5.4 million (among which approximately RMB5.4 million was recognized as right-of-use assets from the property leases, and RMB0 million was recorded as rental expenses), and the total transaction amount arising from the lease of BUCG and its associates from our Group was RMB2.6 million.

3. Tiannuo Property Leasing Framework Agreement

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries (other than Tiannuo Property)) entered into a property leasing framework agreement with Tiannuo Property (for itself and on behalf of its subsidiaries) (the "**Tiannuo Property Leasing Framework Agreement**"), pursuant to which our Group (other than Tiannuo Property) and Tiannuo Property agreed to lease certain properties, including but not limited to houses, office buildings and carpark spaces, from each other, for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps, which refer to estimated rental payment as the leases are expected to be short-term leases and are exempt from recognition as right-of-use assets on our balance sheet under IFRS 16, for our Group's (other than Tiannuo Property) leases from Tiannuo Property under the Tiannuo Property Leasing Framework Agreement are RMB0.09 million, RMB0.11 million and RMB0.14 million, respectively, and the annual caps for Tiannuo Property's leases from our Group (other than Tiannuo Property) are RMB0.1 million, RMB0.12 million and RMB0.15 million, respectively. For the year ended 31 December 2021, the total transaction amount arising from the lease of our Group (other than Tiannuo Property) from Tiannuo Property under the Tiannuo Property Leasing Framework Agreement was RMB0.09 million, and there was no total transaction amount arising from the lease of Tiannuo Property from our Group (other than Tiannuo Property).

4. Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries (other than Senqi Greening)) entered into a commercial operational services and value-added services framework agreement with Senqi Greening (for itself and on behalf of its subsidiaries) (the "**Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement**"), pursuant to which Senqi Greening agreed to provide to our Group commercial operational services and value-added services, including but not limited to consultancy services, small-scale greening construction services, and green conservation services, for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by our Group (other than Senqi Greening) under the Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement are RMB6.2 million, RMB7.0 million and RMB10.5 million, respectively. For the year ended 31 December 2021, the total transaction amount generated from the service fees paid by our Group (other than Senqi Greening) under the Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement was RMB5.8 million.

5. Property Management Services Framework Agreement

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries) entered into a property management services framework agreement with BUCG (for itself and on behalf of its associates) (the "**Property Management Services Framework Agreement**"), pursuant to which our Group agreed to provide to BUCG and its associates property management services, including but not limited to security, cleaning, greening, gardening and repair and maintenance services in respect of (i) property units developed by BUCG and its associates which have been completed and are either unsold or sold but not yet delivered to the buyers; and (ii) residential communities, office buildings and other properties owned, used or operated by BUCG and its associates, for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by BUCG and its associates under the Property Management Services Framework Agreement are RMB98.4 million, RMB126.1 million and RMB146.7 million, respectively. For the year ended 31 December 2021, the total transaction amount generated from the service fees paid by BUCG and its associates under the Property Management Services Framework Agreement was RMB92.6 million.

6. BUCG Commercial Operational Services and Value-Added Services Framework Agreement

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries) entered into a commercial operational services and value-added services framework agreement with BUCG (for itself and on behalf of its associates) (the "**BUCG Commercial Operational Services and Value-Added Services Framework Agreement**"), pursuant to which our Group agreed to provide to BUCG and its associates commercial operational services and value-added services, including but not limited to (i) operation and management services, such as positioning and design services, tenant sourcing services, carpark space operation and management services, and other management services; and (ii) value-added services, such as consultancy services, carpark space sales agency services, and small-scale construction, repair and greening services, for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by BUCG and its associates under the BUCG Commercial Operational Services and Value-Added Services Framework Agreement are RMB115.0 million, RMB165.5 million and RMB177.1 million, respectively. For the year ended 31 December 2021, the total transaction amount generated from the service fees paid by BUCG and its associates under the BUCG Commercial Operational Services and Value-Added Services Framework Agreement was RMB111.1 million.

7. Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries (other than Tiannuo Property)) entered into a commercial operational services and value-added services framework agreement with Tiannuo Property (for itself and on behalf of its subsidiaries) (the "**Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement**"), pursuant to which Tiannuo Property and our Group (other than Tiannuo Property) agreed to provide each other with commercial operational services and value-added services, including but not limited to (i) operation and management services, such as positioning and design services, tenant sourcing services, carpark space operation and management services, and other management services; and (ii) value-added services, such as consultancy services, carpark space sales agency services, and small-scale construction, repair and greening services, for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by our Group (other than Tiannuo Property) under the Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement are RMB0.13 million, RMB0.14 million and RMB0.15 million, respectively, and the annual caps of the total service fee paid by Tiannuo Property are RMB0.72 million, RMB1.9 million and RMB2.8 million, respectively. For the year ended 31 December 2021, the total transaction amount generated from the service fees paid by our Group (other than Tiannuo Property) under the Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement was RMB0.11 million, and the total transaction amount generated from the service fees paid by Tiannuo Property was RMB0.36 million.

8. Engineering and Laboring Services Framework Agreement

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries) entered into an engineering and laboring services framework agreement with BUCG (for itself and on behalf of its associates) (the "**Engineering and Laboring Services Framework Agreement**"), pursuant to which BUCG and its associates agreed to provide to our Group engineering and laboring services, including but not limited to (i) engineering design, construction and laboring services (such as installation and replacement of large-scale equipment or heavy machinery); and (ii) provision of equipment or machinery for our use and operation (such as heat energy generation plants), etc., for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps of the total amount of service fees paid by our Group under the Engineering and Laboring Services Framework Agreement were RMB48.3 million, RMB53.1 million and RMB56.4 million, respectively. For the year ended 31 December 2021, total transaction amount arising from the service fees paid by our Group under the Engineering and Laboring Services Framework Agreement was RMB45.2 million.

9. Property Ancillary Services Framework Agreement

On 11 October 2021, our Company (for ourselves and on behalf of our subsidiaries) entered into a property ancillary services framework agreement with BUCG (for itself and on behalf of its associates) (the "**Property Ancillary Services Framework Agreement**"), pursuant to which our Group agreed to provide to BUCG and its associates property ancillary services, including but not limited to (i) catering services; and (ii) heat energy supply services, for a term commencing from the Listing Date up to and including 31 December 2023.

For the years ended/ending 31 December 2021, 2022 and 2023, the annual caps of the total amount of service fees paid by BUCG and its associates under the Property Ancillary Services Framework Agreement were RMB27.6 million, RMB42.7 million and RMB58.7 million, respectively. For the year ended 31 December 2021, the total transaction amount arising from the service fees paid by BUCG and its associates under the Property Ancillary Services Framework Agreement was RMB20.5 million.

Continuing Connected Transactions Reviewed by Independent Non-executive Directors

According to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the continuing connected transactions and confirmed that they are:

(1) Entered into in the ordinary and usual business of our Group;

(2) Conducted on normal commercial terms or better; and

(3) Conducted pursuant to the agreement of the related transaction, on fair and reasonable terms and in the interests of our Company and our Shareholders as a whole.

Confirmation from the Auditor

Pursuant to Chapter 14A.56 of the Listing Rules, the Company's auditor, KPMG, was engaged by the Board to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised), "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on the work performed, the auditor of the Company confirmed to the board of directors of the Company that:

(1) nothing has come to the attention of the auditor that causes the auditor to believe that the above continuing connected transactions have not been approved by the Company's board of directors;

(2) for transactions involving the provision of goods or services by the Group, nothing has come to the attention of the auditor that causes the auditor to believe that the above continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(3) nothing has come to the attention of the auditor that causes the auditor to believe that the above continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) with respect to the aggregate amount of the above continuing connected transactions, nothing has come to the attention of the auditor that causes the auditor to believe that the continuing connected transactions disclosed above have exceeded the annual cap as set by the Company.

The Company has lodged a copy of the auditor's letter with Hong Kong Stock Exchange.

RELATED PARTY TRANSACTIONS

Details of the material related party transactions entered into by the Group during the year ended 31 December 2021 are set out in Note 27 to the consolidated financial statements. Save as disclosed above, the related party transactions set out in the note above do not fall within the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2021, the Group had 2,051 employees (as at 31 December 2020: 2,035 employees). For the year ended 31 December 2021, the total staff costs were approximately RMB427.9 million (as at 31 December 2020: RMB391.4 million). 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.

EMPLOYEE TRAINING AND DEVELOPMENT

The Group places a strong emphasis on recruiting high-quality personnel and provides employees with continuous training programs and career development opportunities. Through creating a supply chain of five key talent teams, including senior management, project managers, project junior staff, staff from campus recruitment and professionals, we provide more comprehensive job training for our employees.

EVENTS AFTER THE REPORTING PERIOD

Save for Note 29 to the consolidated financial statements in this annual report, there were no events taken place subsequent to 31 December 2021 and up to the date of this report that may have a material impact on the Group's operating and financial performance that need to be disclosed.

MATERIAL LITIGATION

During the year ended 31 December 2021, the Group was not engaged in any material litigation or arbitration which could have a material effect on its financial condition or results of operations. So far as our Directors are aware, no such litigation or arbitration of material importance is pending or threatened against the Group.

AUDITOR

The shares of the Company have been listed on the Hong Kong Stock Exchange since 10 November 2021 and there has been no change in the auditor since the Listing Date. The extraordinary general meeting of the Company held on 28 January 2022 reviewed and approved the appointment of KPMG as the 2021 International Accounting Standards Auditor of the Company, and approved the re-appointment of Da Hua Certified Public Accountants LLP as the 2021 China Accounting Standards for Business Enterprises audit agency of the Company and authorized the Board or Audit Committee to determine its remuneration. The consolidated financial statements for the year ended 31 December 2021 have been audited by KPMG, Certified Public Accountants, which will be subject to nomination for re-appointment at the forthcoming annual general meeting.

ACCOUNTS REVIEW

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 Company's financial reporting, risk management and risk control systems, and assisting the Board in performing its audit responsibilities of the Company. The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2021, and discussed with the management and auditors of the Company the accounting principles and practices adopted by the Group, as well as risk management, internal control and financial reporting related matters.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions in the Corporate Governance Code (the version up to 31 December 2021) contained in Appendix 14 to the Listing Rules as its own code of corporate governance. The Group has complied with all the applicable code provisions of the Corporate Governance Code throughout the period from the Listing Date to 31 December 2021. Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is subject to various laws and regulations, primarily including the Company Law of the PRC, the Civil Code of the PRC, the Labor Law of the PRC, the Labor Contract Law of the PRC, the Bidding Law of the PRC, the Environmental Protection Law of the PRC, the Production Safety Law of the PRC, the Fire Control Law of the PRC and the Land Administration Law of the PRC as well as the Provisions on Property Management and the Regulations on Safety Supervision of Special Equipment promulgated by the State Council of the PRC.

For the year ended 31 December 2021, the Group's business had complied with the relevant laws and regulations in all material aspects and had not seriously breached or violated any laws and regulations applicable to the Company which would result in a material and adverse impact on the business or financial condition of the Group as a whole.

PUBLIC FLOAT

Based on the published information and to the knowledge of the Directors, for the year ended 31 December 2021 and as at the date of this annual report, the Company maintained sufficient public float in compliance with the Listing Rules.

RELATIONSHIPS WITH STAKEHOLDERS

The Company deeply believes that our employees, customers and business partners are key to our sustainable development. The Company strives to achieve corporate sustainability through engaging our employees, providing customers with quality services, collaborating with business partners and supporting public welfare.

The Company places significant emphasis on human resources. The Company provides a fair workplace to employees and embraces inclusiveness and multi-cultural backgrounds. Employees are also provided with competitive remuneration packages and a wide range of opportunities for career advancement based on their performance. The Company administers its health and safety management system for employees and ensures the implementation of the principles adopted by the Company. Regular training is provided to employees to keep them abreast of the latest development in the market and industry, in the form of both internal training and training courses provided by external professional organizations.

The Company values the feedback from customers which is obtained through daily communication and other surveys. Moreover, the Company has also established a mechanism for customer service and support. The Company sees rendering services to customers as a valuable opportunity to improve its relationship with customers and will respond promptly.

The Company understands that the role of suppliers is equally important for providing quality services, therefore it has actively cooperated with business partners to provide premium and sustainable services.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Company has been actively promoting sustainable development and environmental protection. It has been proactive in facilitating and achieving effective use of resources during its operation and has strictly complied with laws and regulations in connection with environmental protection and health. At the same time, various types of environmental and public welfare activities were held in the course of its operation to promote the concept of environmental protection to every sector of the society in order to build a green and wonderful future together.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company believes that promoting sustainable development is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainable development in its operations. The Company is committed to strengthening its management's efforts to promote a sustainable development plan through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate the Group's commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under the Environmental, Social and Governance Reporting Guide as specified in Appendix 27 to the Listing Rules. The report will present the Company's commitment to sustainable development during the year under review, and it will cover the significant economic, environmental and social achievements and impacts arising from the activities of the Company and its joint ventures.

By order of the Board
Beijing Capital Jiaye Property Services Co., Limited
Zhang Weize
Chairman

Beijing, the PRC,
29 March 2022

IX. Report of the Supervisory Committee

The Supervisory Committee of the Company is pleased to present the Report of the Supervisory Committee of the Group for the year ended 31 December 2021.

During 2021, the Supervisory Committee fulfilled its duties and obligations in a serious manner by various ways including convening Supervisory Committee meetings, participating in shareholders' general meetings, meetings of the Board in accordance with the provisions of the Listing Rules, the Articles of Association and the Rules of Procedure of the Supervisory Committee for the interests of the Shareholders. The Supervisory Committee reviewed the Company's financial accounts, and monitored its management and operation, implementation of resolutions of the shareholders' general meeting, directors' and management's compliance with laws, administrative regulations and the Articles of Association when performing their respective duties.

The Supervisory Committee is of the view that, during 2021, the Company operated strictly in accordance with the requirements of relevant laws and regulations, such as the Listing Rules, and the internal control management system, such as the Articles of Association, and the Directors, senior management of the Company performed their duties diligently and faithfully in accordance with laws, regulations and the Articles of Association, thereby effectively protecting the interests of the Company and the Shareholders.

MEMBERS OF THE SUPERVISORY COMMITTEE AND CHANGES IN THE MEMBERS DURING THE REPORTING PERIOD

The Supervisors of the Company for the year ended 31 December 2021 and up to the date of this report include:

Mr. Liu Fengyuan *(Chairman)*
Ms. Liu Fang
Mr. Wang Wei (i)
Ms. Bian Xiaodong (ii)

Notes:

(i) Mr. Wang Wei was appointed as a Supervisor of the Company on 28 June 2021 as approved at the 2020 general meeting of the Company.

(ii) Ms. Bian Xiaodong resigned as a Supervisor of the Company on 28 June 2021.

IX. Report of the Supervisory Committee

MAJOR WORK OF THE SUPERVISORY COMMITTEE IN 2021

Convening meetings of the Supervisory Committee according to laws, and earnestly performing supervisory duties

During the reporting period, the Company convened two meetings of the Supervisory Committee, which reviewed the rules of procedure of the Supervisory Committee of the Company, the work report of the Supervisory Committee of the Company in 2020 and the proposal on nomination of non-employee Supervisors of the Company. Supervisors carefully reviewed meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee. They attended all meetings of the Supervisory Committee in person and earnestly performed supervisory duties. Details are as follows:

Name	Type of Supervisor	Number of meetings attended/ convened	Attendance rate
Liu Fengyuan *(Chairman)*	Shareholder Representative Supervisor	2/2	100%
Liu Fang	Employee Representative Supervisor	2/2	100%
Wang Wei (appointed on 28 June 2021)	Shareholder Representative Supervisor	0	N/A
Bian Xiaodong (resigned on 28 June 2021)	Shareholder Representative Supervisor	2/2	100%

During the reporting period, the members of the Supervisory Committee supervised the procedures and content of the meetings by attending shareholders' general meetings and meetings of the Board, and effectively monitored the Company's decision-making procedures, operation of the Company according to laws, financial condition, and supervised the Directors and the management in the performance of their duties during the course of daily operations of the Company, which safeguarded the legitimate interests of the Company and the Shareholders.

Evaluation on behaviors of the Board and the senior management in 2021

During 2021, the Board and the senior management of the Company performed their duties diligently, operated business in compliance with laws, thoroughly learnt about the operation of the Company and conducted adequate discussions so as to make collective decisions on relevant matters of the Company and facilitate the implementation of various resolutions passed by the Board.

During 2021, procedures for making major operating decisions of the Company were legal and valid. The Directors and senior management of the Company were able to conscientiously perform their duties with a pioneering spirit in strict compliance with national laws and regulations, relevant provisions of the Articles of Association and resolutions of shareholders' general meetings and the Board; no Directors or senior management of the Company were found by the Supervisory Committee to have committed any acts in contravention of laws, regulations or the Articles of Association or detrimental to the interests of the Shareholders and the Company.

INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE COMPANY'S OPERATION

Lawful operation of the Company

The Company operated and managed its businesses in accordance with the laws and regulations, and its operational results were objective and true. There has been gradual improvement in its internal control management, and the internal control system was reasonable and effective. The Company's operational decision-making processes were legitimate. The Directors and senior management were cautious, conscientious and diligent in the business operations and management processes, and they were not found to have breached any laws, regulations, or the Articles of Association or harmed the interests of the shareholders.

IX. Report of the Supervisory Committee

Financial report of the Company

The Supervisory Committee of the Company conducted a careful and detailed inspection of the Company's financial condition, and reviewed the Group's audited financial report for the year ended 31 December 2021 and other financial information. It believed that the financial report has reflected the Company's operating results and financial condition in a comprehensive, truthful and objective manner. Financial accounts were unambiguous, accounting and financial management were in compliance with relevant regulations, and no problem was found, and they were not aware of any violation of the relevant accounting standards and legal requirements by the personnel who were involved in the preparation and review of the annual report; the unqualified opinion on financial report issued by the audit firm was objective and fair.

MAJOR INITIATIVES OF THE SUPERVISORY COMMITTEE FOR 2022

In 2022, the Supervisory Committee will work diligently and faithfully under relevant requirements of the Listing Rules, the Articles of Association and the Rules of Procedure of the Supervisory Committee, implement effective supervision on the Company, Directors and senior management, closely monitor the operation and management of the Company, pay attention to any significant development of the Company to promote sustainable development of the Company, and faithfully safeguard the interests of the Shareholders and the Company as a whole. Meanwhile, the Supervisory Committee will further integrate supervision resources, procure improvement in management, assist in and ensure successful realization of the Company's work targets for 2022.

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

OPINION

We have audited the consolidated financial statements of Beijing Capital Jiaye Property Services Co., Limited ("the Company") and its subsidiaries ("the Group") set out on pages 74 to 80, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Expected credit loss allowance of trade receivables

Refer to accounting policy Note 2(j), Note 17 and Note 25(a) to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2021, the Group's gross trade receivables and an allowance for expected credit losses ("ECLs") amounted to RMB411.5 million and RMB61.6 million, respectively. The Group's trade receivables comprised mainly receivables from property owners (mainly third parties) and property developers (mainly related parties). Management measured the loss allowance at an amount equal to lifetime ECL of the trade receivables based on the loss patterns for different categories of customers, ageing of trade receivables and historical loss rate, and takes into account current market conditions and forward-looking information. We identified the ECL allowance of trade receivables as a key audit matter because the balance of trade receivables is significant to the Group's consolidated financial statements and determining the level of the loss allowance is inherently subjective and requires the exercise of significant management judgement.	Our audit procedures to assess ECL allowance of trade receivables included the following: • obtaining an understanding of and evaluating the design, implementation and operating effectiveness of key internal controls relating to credit control, categorisation of trade receivables, ageing analysis review, estimation of ECLs and making related allowances; • evaluating the Group's policy for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standard; • obtaining an understanding on the key data and assumptions of the ECL model adopted by management, including the basis of categorisation of trade receivables based on credit loss characteristics, historical default data and assumptions used in management's estimated loss rates; • assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including testing accuracy of the historical default data and evaluating whether historical loss rates are appropriately adjusted after taking into consideration current market conditions and forward-looking information; • assessing, on a sample basis, whether items in the trade receivables ageing report were categorised in the appropriate ageing bracket by comparing with the demand notes or sales invoices; and • re-performing the calculation of the loss allowance as at 31 December 2021 based on the Group's credit loss allowance policy.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Tsz Chung.

Certified Public Accountants

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

29 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021
(Expressed in Renminbi)

	Note	**2021** **RMB'000**	2020 RMB'000
Revenue	4	**1,224,584**	1,090,554
Cost of sales		**(951,935)**	(864,080)
Gross profit		**272,649**	226,474
Other income	5	**5,750**	13,600
Administrative expenses		**(163,886)**	(143,581)
Selling expenses		**(10,021)**	(9,228)
Expected credit loss on trade and other receivables	6(d)	**(9,697)**	(6,343)
Profit from operations		**94,795**	80,922
Finance income	6(a)	**18,524**	12,476
Finance costs	6(b)	**(2,480)**	(2,338)
Profit before taxation	6	**110,839**	91,060
Income tax	7(b)	**(26,692)**	(22,303)
Profit for the year		**84,147**	68,757

The notes on pages 81 to 151 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021
(Expressed in Renminbi)

	Note	**2021** **RMB'000**	2020 RMB'000
Profit for the year		**84,147**	68,757
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations	22(b)	**(2,665)**	2,408
Income tax relating to remeasurement of defined benefit obligations		**666**	(602)
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves		**1,317**	(1,187)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		**(329)**	297
Other comprehensive income for the year		**(1,011)**	916
Total comprehensive income for the year		**83,136**	69,673
Profit attributable to:			
Equity shareholders of the Company		**82,753**	57,504
Non-controlling interests		**1,394**	11,253
		84,147	68,757
Total comprehensive income attributable to:			
Equity shareholders of the Company		**81,741**	58,343
Non-controlling interests		**1,395**	11,330
		83,136	69,673
Earnings per share (RMB)	10	**0.72**	0.56

The notes on pages 81 to 151 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2021
(Expressed in Renminbi)

	Note	**2021** **RMB'000**	2020 RMB'000
Non-current assets			
Investment properties	11	**105,230**	103,580
Property, plant and equipment	12	**33,637**	24,974
Intangible assets	13	**2,849**	3,133
Other financial assets	15	**95,727**	94,410
Deferred tax assets	23(b)	**32,239**	28,318
		269,682	254,415
Current assets			
Inventories	16	**5,645**	6,924
Prepayments, trade and other receivables	17	**462,465**	568,932
Restricted cash	18(a)	**6,052**	4,916
Cash and cash equivalents	18(a)	**1,087,296**	747,044
		1,561,458	1,327,816
Current liabilities			
Trade and other payables	19	**732,113**	743,067
Contract liabilities	20	**273,682**	248,617
Lease liabilities	21	**3,428**	3,167
Current taxation	23(a)	**16,558**	78,718
		1,025,781	1,073,569
Net current assets		**535,677**	254,247
Total assets less current liabilities		**805,359**	508,662
Non-current liabilities			
Lease liabilities	21	**1,469**	2,469
Deferred tax liabilities	23(b)	**33,341**	32,622
Defined benefit obligations	22	**66,342**	59,449
		101,152	94,540
NET ASSETS		**704,207**	414,122

The notes on pages 81 to 151 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2021
(Expressed in Renminbi)

	Note	**2021** **RMB'000**	2020 RMB'000
CAPITAL AND RESERVES			
Share capital	24	**146,667**	110,000
Reserves	24	**534,136**	282,113
Total equity attributable to equity shareholders of the Company		**680,803**	392,113
Non-controlling interests		**23,404**	22,009
TOTAL EQUITY		**704,207**	414,122

The notes on pages 81 to 151 form part of these financial statements.

Approved and authorised for issue by the board of directors on 29 March 2022.

Name: Zhang Weize
Position: chairman of the board

Name: Yang Jun
Position: director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021
(Expressed in Renminbi)

		Attributable to equity shareholders of the Company							
	Note	Share capital	Capital 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
		Note 24(b)	Note 24(d)(i)	Note 24(d)(iii)	Note 24(d)(iv)				
Balance at 1 January 2020		–	91,576	(4,590)	2,889	341,892	431,767	57,921	489,688
Changes in equity for 2020:									
Profit for the year		–	–	–	–	57,504	57,504	11,253	68,757
Other comprehensive income		–	–	1,729	(890)	–	839	77	916
Total comprehensive income		–	–	1,729	(890)	57,504	58,343	11,330	69,673
Deemed distribution	11	–	(2,241)	–	–	(179,854)	(182,095)	–	(182,095)
Issue of shares	24(b)	110,000	(57,000)	–	–	–	53,000	–	53,000
Dividends declared to previous owners	24(c)	–	–	–	–	(10,700)	(10,700)	–	(10,700)
Dividends declared to non-controlling interests	24(c)	–	–	–	–	–	–	(5,444)	(5,444)
Acquisition of non-controlling interests	24(e)	–	41,798	–	–	–	41,798	(41,798)	–
Balance at 31 December 2020		110,000	74,133	(2,861)	1,999	208,842	392,113	22,009	414,122

The notes on pages 81 to 151 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021
(Expressed in Renminbi)

	Note	Share capital RMB'000 Note 24(b)	Capital reserve RMB'000 Note 24(d)(i)	Statutory surplus reserves RMB'000 Note 24(d)(ii)	Defined benefit obligation remeasurement reserve RMB'000 Note 24(d)(iii)	Fair value reserve RMB'000 Note 24(d)(iv)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to equity shareholders of the Company								
Balance at 1 January 2021		110,000	74,133	–	(2,861)	1,999	208,842	392,113	22,009	414,122
Changes in equity for 2021:										
Profit for the year		–	–	–	–	–	82,753	82,753	1,394	84,147
Other comprehensive income		–	–	–	(2,000)	988	–	(1,012)	1	(1,011)
Total comprehensive income		–	–	–	(2,000)	988	82,753	81,741	1,395	83,136
Issue of shares	24(b)	36,667	170,282	–	–	–	–	206,949	–	206,949
Appropriation to statutory reserve		–	–	49	–	–	(49)	–	–	–
Balance at 31 December 2021		146,667	244,415	49	(4,861)	2,987	291,546	680,803	23,404	704,207

The notes on pages 81 to 151 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2021
(Expressed in Renminbi)

	Note	2021 RMB'000	2020 RMB'000
Operating activities			
Cash generated from operations	18(b)	**5,662**	243,232
Income taxes paid	23(a)	**(91,717)**	(11,709)
Net cash (used in)/generated from operating activities		**(86,055)**	231,523
Investing activities			
Purchases of property, plant and equipment		**(4,071)**	(4,161)
Purchases of intangible assets		**(204)**	(597)
Repayment of advances to related parties		**220,000**	183,053
Proceeds from disposal of property, plant and equipment		**408**	388
Interest received		**4,252**	13,353
Net cash generated from investing activities		**220,385**	192,036
Financing activities			
Proceeds from issue of shares		**227,435**	53,000
Dividends paid		**–**	(16,144)
Capital element of lease rentals paid	18(c)	**(4,906)**	(6,748)
Interest element of lease rentals paid	18(c)	**(281)**	(271)
Listing expense paid		**(15,306)**	–
Net cash generated from financing activities		**206,942**	29,837
Net increase in cash and cash equivalents		**341,272**	453,396
Cash and cash equivalents at 1 January	18(a)	**747,044**	293,648
Effect of foreign exchange rate changes	5	**(1,020)**	–
Cash and cash equivalents at 31 December	18(a)	**1,087,296**	747,044

The notes on pages 81 to 151 form part of these financial statements.

1 CORPORATION INFORMATION

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2021 comprise the Company and its subsidiaries.

Prior to the establishment of the Company, the principal business of the Group was carried out by certain subsidiaries controlled by Beijing Urban Construction Group Co., Ltd. ("BUCG") and Beijing Uni.-Construction Group Co., Ltd. ("BUCC"). Both BUCG and BUCC are operating under the supervision and regulation of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality ("Beijing SASAC"). BUCC was merged by BUCG in November 2019 and became a wholly-owned subsidiary of BUCG.

Pursuant to a group reorganisation to rationalise the corporate structures in preparation of the listing of the Company's shares on the Stock Exchange (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group. The Reorganisation principally involves:

– the establishment of the Company on 22 December 2020;

– BUCC, a wholly-owned subsidiary of BUCG, subscribed 20,881,485 ordinary shares of the Company with its 100% equity interest in Beijing Uni.-Construction Beiyu Property Service Co., Ltd. ("Beiyu Property") and cash of RMB43,000,000;

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the financial statements *(Continued)*

– BUCG subscribed 38,779,865 ordinary shares of the Company with its 100% equity interest in Beijing Urban Construction Group Properties Co., Ltd. ("BUCG Properties");

– Beijing Urban Construction Investment & Development Co., Ltd. ("BUCID"), an A-share listed company in the PRC and a 41.86% owned subsidiary of BUCG, subscribed 49,092,189 ordinary shares of the Company with its 100% equity interest in Beijing Chengcheng Property Management Co., Ltd. ("Chengcheng Property") and Beijing Urban Construction Chongqing Property Management Co., Ltd. ("Chongqing Property"); and

– Beijing Tianjie Group Co., Ltd., a state-owned company held by the State-owned Assets Supervision and Administration Commission of Dongcheng District People's Government of Beijing Municipality, subscribed 1,246,461 ordinary shares of the Company with cash of RMB10,000,000.

All companies now comprising the Group were under the common control of BUCG and ultimately Beijing SASAC immediately before and after the Reorganisation. The control was not transitory and consequently, the Reorganisation is regarded as a business combination under common control. Consequently, the consolidated financial statements for the years ended 31 December 2021 and 2020 have been prepared and presented as a continuation of the financial information of the companies now comprising the Group with the assets and liabilities recognised and measured using the existing book values from BUCG's perspective.

Prior to the completion of the Reorganisation, the share of 58.14% interest in the net assets and results of Chengcheng Property and Chongqing Property, which was indirectly held by BUCG through its 41.86% owned subsidiary BUCID, was presented as non-controlling interests in the Historical Financial Information. Upon the completion of the Reorganisation, the non-controlling interests of Chengcheng Property and Chongqing Property were acquired by the Company and since then Chengcheng Property and Chongqing Property are 100% owned by the Company.

The functional currency of the Company and its subsidiaries is RMB as all of the Group's operations are conducted in mainland China.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investment property *(see Note 2(g))*

– financial instruments classified as fair value through profit or loss or as fair value through other comprehensive income *(see Note 2(f))*

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform – phase 2*

- Amendment to IFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

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 financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Subsidiaries and non-controlling interests *(Continued)*

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)).

Business combination under common control

Business combination under common control is accounted for using the principle of merger accounting, under which, the consolidated financial statements consolidate the financial results and the financial position of the entities or business which are acquired through business combination under common control as if they had been consolidated from the earliest date presented or since the date when these consolidating entities or business first came under the control of the controlling party, where there is a shorter period.

The net assets of the consolidating entities or business are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in consideration for goodwill or excess of the acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of profit or loss and comprehensive income include the results of each of the consolidating entities or business from the earliest date presented or since the date when the consolidating entities or business first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Subsidiaries and non-controlling interests *(Continued)*

Business combination under common control *(Continued)*

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between consolidating entities or business are eliminated on consolidation.

(e) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(j)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Software	10 years

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(f) Other investments in debt and equity investments

The Group's policies for investments in debt and equity investments, other than investments in subsidiaries, are set out below.

Investments in debt and equity investments are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 25(d). These investments are subsequently accounted for as follows, depending on their classification.

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 2(t)(vii)).

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Other investments in debt and equity investments *(Continued)*

(i) Investments other than equity investments *(Continued)*

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– fair value through profit or loss (FVPL), if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity investments is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity investments, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in Note 2(t)(vi).

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 2(i)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in Note 2(t)(v).

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(i)), are stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings	5-70 years
– Vehicles	5-12 years
– Office and other equipment	3-12 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Leased assets *(Continued)*

(i) As a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(h) and 2(j)(ii)), except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 2(g).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Leased assets *(Continued)*

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(t)(v).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(i)(i), then the Group classifies the sub-lease as an operating lease.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables);
- contract assets as defined in IFRS 15 (see Note 2(l));
- debt securities measured at FVOCI (recycling); and
- lease receivables.

Other financial assets measured at fair value, including equity and debt securities measured at FVPL and equity investments designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Credit losses and impairment of assets *(Continued)*

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following discount rate where the effect of discounting is material:

– fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

– lease receivables: discount rate used in the measurement of the lease receivables.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Credit losses and impairment of assets *(Continued)*

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Credit losses and impairment of assets *(Continued)*

(i) ***Credit losses from financial instruments, contract assets and lease receivables*** *(Continued)*

Basis of calculation of interest income

Interest income recognised in accordance with Note 2(t)(vii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Credit losses and impairment of assets *(Continued)*

(ii) Impairment of non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment, including right-of-use assets;

– intangible assets; and

– investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods. Reversals of impairment losses are credited to profit or loss in the period in which the reversals are recognised.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(k) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value as follows:

– Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

– Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(t)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(j)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(t)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(m)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(t)(vii)).

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 2(l)).

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see Note 2(j)(i)).

Insurance reimbursement is recognised and measured in accordance with Note 2(s).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(j)(i).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognitions, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(v)).

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognised in profit or loss and allocated by function as part of "administrative expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

When the benefits of a plan are changed, or when a plan is curtailed, current service cost for the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and reflected immediately in equity. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to business combinations and items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Income tax *(Continued)*

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Property management services

For property management services, the Group bills a fixed amount for each month of service provided and recognises revenue in the amount to which the Group has the right to invoice based on the value of performance completed on a monthly basis.

For property management services income arising from properties managed under lump sum basis, where the Group acts as principal, the Group entitles to revenue at the value of property management services fee received or receivable. For property management services income arising from properties managed under commission basis, where the Group acts as an agent of the property owners, the Group entitles to revenue at a pre-determined percentage or fixed amount of the property management services fees the property owners are obligated to pay.

(ii) Value-added services to non-property owners

Value-added services to non-property owners mainly include tenant sourcing and management services, sales office and display unit management and pre-delivery support services, landscape engineering services, engineering operations and maintenance services, and preliminary planning and design consultancy services to property developers. The Group recognises revenue when such services have been provided, and these services are normally billable immediately upon the services are rendered or in instalments at certain milestones.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(t) Revenue and other income *(Continued)*

(iii) Community value-added services

Community value-added services mainly include heat energy supply services, carpark space operation services, catering services and property leasing services. For heat energy supply services, the Group bills a fixed amount for each month of service provided and recognises revenue in the amount to which the Group has the right to invoice based on the value of performance completed on a monthly basis. For other value-added services, the Group recognises revenue when the respective services are rendered, and these services are normally billable immediately upon the services are rendered or in instalments at certain milestones.

If contracts involve the provision of multiple services, the transaction prices are allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

(iv) Sales of parking lots

Revenue arising from the sale of parking lots in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the parking lot and obtain substantially all of the remaining benefits of the parking lot. Deposits and instalments received on parking lots sold prior to the date of revenue recognition are included in the statement of financial position under contract liabilities (see Note 2(l)).

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(vi) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(vii) Interest income

Interest income is recognised as it accrues under the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(j)(i)).

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(t) Revenue and other income *(Continued)*

(viii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as deduction to related expenses in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the assets by way of recognised in other income.

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(x) Segment reporting *(Continued)*

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes 11, 22 and 25(d) contain information about the assumptions and their risk factors relating to valuation of investment property, defined benefit retirement obligations and fair value of other equity investments. Key sources of estimation uncertainty in the preparation of the consolidated financial statements are as follows:

(i) Expected credit losses for receivables

The credit losses for trade and other receivables are based on assumptions about risk of expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 25(a). Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional loss allowances in future periods.

(ii) Recognition of deferred tax assets and income tax

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determine the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future periods.

The Group files income taxes in numerous tax authorities. Judgement is required in determining the provision for taxation. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current income tax and deferred income tax provisions in the periods in which the differences arise.

3 ACCOUNTING JUDGEMENT AND ESTIMATES *(Continued)*

(iii) Valuation of investment properties

Investment properties are stated at fair value based on the valuation performed by an independent firm of professional valuers after taking into consideration the market evidence of transaction prices, and where appropriate, the rental income allowing for reversionary income potential.

In determining the fair value, the valuers have taken into consideration the market conditions existed at the end of each reporting period or where appropriate, a method of valuation where involves, inter alia, certain estimates including market prices, prevailing market rents for comparable properties in the same location and condition, appropriate discount rate and expected future market rents. In relying on the valuation report, the management has exercised their judgement and are satisfied that the method of valuation is reflective of the prevailing market conditions as at the end of each reporting period.

(iv) Valuation of equity investments designated at FVOCI

The investment in unlisted equity instrument is accounted for as "financial assets measured at fair value through other comprehensive income" which is stated at fair value. The fair value of the financial asset is determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of the investment. See Note 25(d) for further disclosures.

(v) Retirement and other supplemental benefit obligations

The retirement and other supplemental benefit obligations are estimated based on a number of factors that are determined on an actuarial basis using a number of assumptions as disclosed in Note 22. The accuracy of the estimate mainly depends on the extent of deviation between the actuarial assumptions and the actual conditions. The Group's actuarial assumptions mainly comprised of but not limited to the following:

- Demographic assumptions:
  - Mortality rate;
  - Annual withdrawal rate.
- Financial assumptions:
  - Discount rate;
  - Annual increase rate of medical benefits;
  - Annual increase rate of basic salary and social security insurance, housing fund and enterprise annuity contributions.

Any changes in these assumptions will have an impact on the carrying amount of retirement and other supplemental benefit obligations.

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 for 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 assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

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

4 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

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

	2021 RMB'000	2020 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by timing of revenue recognition		
– Revenue recognised over time	**1,203,305**	1,039,803
– Revenue recognised at point in time	**4,919**	22,909
Revenue from other sources		
– Rental income	**16,360**	27,842
	1,224,584	1,090,554
Disaggregated by service lines		
– Property management services	**806,856**	732,986
– Value-added services to non-property owners	**144,791**	112,419
– Community value-added services	**272,937**	245,149
	1,224,584	1,090,554

For the year ended 31 December 2021, revenue from BUCG and its subsidiaries (the "BUCG Group") contributed 18.3% (2020: 16.6%) of the Group's revenue. 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 years ended 31 December 2020 and 2021.

5 OTHER INCOME

	Note	2021 RMB'000	2020 RMB'000
Fair value gain of investment properties (Note 11)		**1,650**	7,310
Net gain on disposal of property, plant and equipment		**–**	92
Additional deduction of input value-added tax ("VAT")	(i)	**5,097**	5,073
Net foreign exchange losses		**(1,020)**	–
Others		**23**	1,125
		5,750	13,600

Note:

(i) Pursuant to Caishui [2019] No. 87 Announcement on Clarifying the VAT Weighted Deduction Policy for the Life Service Sector, taxpayers engaging in the provision of life services are allowed to deduct extra 15% of the deductible input VAT for the years ended 31 December 2020 and 2021.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

(a) Finance income

	2021 RMB'000	2020 RMB'000
Interest income on bank deposits	**16,397**	2,103
Interest income on receivables from related parties	**2,127**	10,373
	18,524	12,476

(b) Finance costs

	2021 RMB'000	2020 RMB'000
Interest on defined benefit obligations (Note 22(b))	**2,199**	2,067
Interest on lease liabilities (Note 12)	**281**	271
	2,480	2,338

6 PROFIT BEFORE TAXATION *(Continued)*

(c) Staff costs

	Note	2021 RMB'000	2020 RMB'000
Salaries, wages and other benefits		**384,349**	379,617
Expenses recognised in respect of defined benefit retirement plans (Note 22(b))		**3,842**	2,210
Contributions to defined contribution retirement plan	(i)	**39,721**	9,566
		427,912	391,393

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. To reduce the impact of the COVID-19 pandemic on enterprises, governments in certain regions in the PRC had gradually reduced or exempted the social insurance contributions in 2020.

(d) Other items

	2021 RMB'000	2020 RMB'000
Amortisation cost of intangible assets (Note 13)	**488**	420
Depreciation charge (Note 12)		
– Owned property, plant and equipment	**6,040**	5,666
– Other properties leased for own use carried at cost	**5,112**	6,704
Bank charges	**2,042**	1,892
Cost of inventories (Note 16)	**1,424**	21,818
Expected credit loss on trade and other receivables		
– Trade receivables (Note 17(b))	**9,697**	6,414
– Other receivables	**–**	(71)
Auditors' remuneration		
– Audit services	**2,630**	351
Listing expenses	**2,537**	–

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2021	2020
	RMB'000	RMB'000
Current tax – PRC Corporate Income Tax		
Provision for the year (Note 23(a))	**29,557**	22,207
Deferred tax		
Origination and reversal of temporary differences (Note 23(b)(i))	**(2,865)**	96
	26,692	22,303

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Note	**2021**	2020
		RMB'000	RMB'000
Profit before taxation		**110,839**	91,060
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	(i)	**27,710**	22,765
Tax effect of PRC preferential tax rates	(ii)	**(939)**	(487)
Tax effect of non-deductible expenses		**19**	84
Non-taxable income		**(8)**	(59)
Tax effect of temporary differences unrecognised		**(90)**	–
Actual tax expense		**26,692**	22,303

Notes:

(i) The provision for PRC Corporate Income Tax for the years ended 31 December 2021 and 2020 is calculated at 25% of the estimated assessable profits for the year.

(ii) Pursuant to Caishui [2011] No. 58 Notice on Issues Concerning Relevant Tax Policies to In-depth Implementation of the Western Development Strategy and Announcement [2012] No.12 Public Announcement on Corporate Income Tax Issues Relating to In-depth Implementation of the Western Development Strategy, Chongqing Property, being the enterprise engaged in state encouraged industries established in the specified western regions, was taxed at a preferential income tax rate of 15% in 2021.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Year ended 31 December 2021	Directors' fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Chairman and Executive Director					
Zhang Weize	–	228	204	26	458
Executive Directors					
Yang Jun	–	235	512	26	773
Yao Xin	–	219	388	26	633
Luo Zhou	–	226	676	26	928
Non-executive Directors					
Kong Weiping	30	–	–	–	30
Cheng Peng	30	–	–	–	30
Kong Chi Mo	30	–	–	–	30
Xie Ping	–	–	–	–	–
Mao Lei	–	–	–	–	–
Supervisors					
Liu Fengyuan	–	–	–	–	–
Bian Xiaodong	–	–	–	–	–
Wang Wei	–	–	–	–	–
Liu Fang	–	98	348	26	472
	90	1,006	2,128	130	3,354

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS *(Continued)*

Year ended 31 December 2020	Directors' fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Chairman and Executive Director					
Zhang Weize	–	–	–	–	–
Executive Directors					
Yang Jun	–	211	574	24	809
Yao Xin	–	363	341	24	728
Luo Zhou	–	133	770	24	927
Non-executive Directors					
Xie Ping	–	–	–	–	–
Mao Lei	–	–	–	–	–
Supervisors					
Liu Fengyuan	–	–	–	–	–
Bian Xiaodong	–	–	–	–	–
Liu Fang	–	76	363	24	463
	–	783	2,048	96	2,927

The directors and supervisors above were appointed on 22 December 2020. The emoluments shown above represents remuneration received from the Group by them in their capacity as employees of the Group during the years ended 31 December 2021 and 2020.

On 11 October 2021, Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo were appointed as independent non-executive directors of the Company.

On 28 June 2021, Mr. Bian Xiaodong resigned and Mr. Wang Wei was appointed as a supervisor of the Company.

During the year ended 31 December 2020, Mr. Zhang Weize was not paid directly by the Group but received remuneration from the Group's holding company and during the years ended 31 December 2021 and 2020, Mr. Xie Ping, Mr. Mao Lei and Mr. Liu Fengyuan were not paid directly by the Group but received remuneration from the Group's holding company, in respect of their services to the larger group which includes the Group. No apportionment has been made as the qualifying services provided by them to the Group are incidental to their responsibilities to the larger group.

During the years ended 31 December 2021 and 2020, no emoluments were paid by the Group to the director as an inducement to join or upon joining the Group or as compensation for loss of office. No director of the Company waived or agreed to waive any emoluments during the reporting period.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2020: three) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other two (2020: two) individuals are as follows:

	2021 RMB'000	2020 RMB'000
Salaries and other allowances	**327**	268
Discretionary bonus	**814**	890
Retirement scheme contributions	**53**	48
	1,194	1,206

The emoluments of the above individuals with the highest emoluments are within the following band:

	2021	2020
Nil to Hong Kong Dollar ("HKD") 1,000,000	**2**	2

10 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB82,753,000 (2020: RMB57,504,000) and the weighted average of 115,224,000 ordinary shares (2020: 103,427,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2021 '000	2020 '000
Issued ordinary shares at 1 January	**110,000**	–
Effect of issue of ordinary shares	**5,224**	103,427
Weighted average number of ordinary shares at 31 December	**115,224**	103,427

Weighted average of 115,224,000 ordinary shares for the year ended 31 December 2021 included the weighted average of 36,667,200 ordinary shares issued immediately after the completion of placing, in addition to the 110,000,000 ordinary shares, being the number of shares in issue upon the establishment of the Company on 22 December 2020 as detailed in Note 2(b).

For the purpose of computing basic and diluted earnings per share for 2020, among the aforementioned 110,000,000 ordinary shares, 103,393,756 ordinary shares in exchange for equity interests in Beiyu Property, BUCG Properties, Chengcheng Property and Chongqing Property were deemed to have been issued throughout the year of 2020. 6,606,244 ordinary shares in exchange for cash were included in the weighted average number of shares from the date the cash was received.

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the years ended 31 December 2021 and 2020.

11 INVESTMENT PROPERTIES

	Note	2021 RMB'000	2020 RMB'000
Fair value			
At 1 January		**103,580**	271,360
Change in fair value		**1,650**	7,310
Deemed distribution	(i)	**–**	(175,090)
At 31 December		**105,230**	103,580

Note:

(i) In connection with the Reorganisation as detailed in Note 2(b), certain investment properties and property, plant and equipment at the carrying amount of RMB175,090,000 and RMB2,859,000 respectively, were transferred to BUCC at nil consideration. The Group reflected the transfer and related tax effect as a deemed distribution to BUCC.

The following table presents the fair value of the Group's properties 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

	2021 RMB'000	2020 RMB'000
Investment properties located in Beijing, the PRC:		
– Residential – Level 3	**3,130**	3,030
– Commercial – Level 3	**102,100**	100,550
	105,230	103,580

(Expressed in Renminbi unless otherwise indicated)

11 INVESTMENT PROPERTIES *(Continued)*

During the year ended 31 December 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2020: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 December 2021 and 2020. The valuations were carried out by an independent firm, Cushman & Wakefield, with recent experience in the location and category of properties being valued. The Group's management have had discussion with the surveyors on the valuation assumptions and valuation.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

Investment properties held by the Group in the consolidated statements of financial position	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Residential	Market approach and income approach	Market price per sq.m: RMB47,100 (2020: RMB45,600)	The higher the market price, the higher the market value
	The Key inputs are: – Market price – Capitalisation rate; – Unit rent of individual unit	Capitalisation rate: Not applicable (2020: 3.0%-3.5%)	The higher the capitalisation rate, the lower the market value
		Unit rent of individual unit per sq.m. per month: 31 December 2021: Not applicable (2020: RMB58.9)	The higher the unit rent, the higher the market value
Commercial	Income approach	Capitalisation rate: 5.5%-6.0% (2020: 5.5%-6.0%)	The higher the capitalisation rate, the lower the market value
	The key inputs are: – Capitalisation rate – Unit rent of individual unit	Unit rent of individual unit per sq.m. per month: RMB54-RMB178 (2020: RMB54-RMB168)	The higher the unit rent, the higher the market value

11 INVESTMENT PROPERTIES *(Continued)*

The fair value of investment properties is determined based on income approach or market approach. Under the income approach, the fair value of investment properties is estimated based on capitalisation rate and unit rent. The unit rent is mainly made reference to the rents in existing lease. Under the market approach, the fair value is estimated based on comparable transactions for properties in similar location, accessibility, age, quality, size and other factors.

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

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2021 **RMB'000**	2020 RMB'000
Within 1 year	**8,816**	14,548
After 1 year but within 2 years	**5,393**	10,722
After 2 year but within 3 years	**3,883**	5,309
After 3 year but within 4 years	**1,989**	3,335
After 4 year but within 5 years	**–**	1,313
	20,081	35,227

12 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Properties leased for own use carried at cost RMB'000	Vehicles RMB'000	Office and other equipment RMB'000	Total RMB'000
Cost:					
At 1 January 2020	24,032	45,564	3,365	21,298	94,259
Additions	802	5,996	229	3,130	10,157
Disposals	(5,233)	–	–	(2,103)	(7,336)
Deemed distribution (Note 11)	(3,030)	–	–	–	(3,030)
At 31 December 2020	16,571	51,560	3,594	22,325	94,050
Additions	–	5,935	23	16,033	21,991
Disposals	(2,033)	(45,609)	–	(1,580)	(49,222)
At 31 December 2021	14,538	11,886	3,617	36,778	66,819
Accumulated depreciation:					
At 1 January 2020	(12,878)	(38,076)	(1,631)	(11,332)	(63,917)
Charge for the year	(2,463)	(6,704)	(404)	(2,799)	(12,370)
Written back on disposals	5,436	–	–	1,604	7,040
Written back on deemed distribution (Note 11)	171	–	–	–	171
At 31 December 2020	(9,734)	(44,780)	(2,035)	(12,527)	(69,076)
Charge for the year	(1,581)	(5,112)	(373)	(4,086)	(11,152)
Written back on disposals	1,717	43,841	–	1,488	47,046
At 31 December 2021	(9,598)	(6,051)	(2,408)	(15,125)	(33,182)
Carrying amount:					
At 31 December 2021	4,940	5,835	1,209	21,653	33,637
At 31 December 2020	6,837	6,780	1,559	9,798	24,974

12 PROPERTY, PLANT AND EQUIPMENT *(continued)*

(a) Right-of-use assets – properties leased for own use

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2021 **RMB'000**	2020 RMB'000
Depreciation charge of right-of-use assets:		
– Properties leased for own use	**5,112**	6,704
Interest on lease liabilities (Note 6(b))	**281**	271
Expense relating to short-term leases	**2,905**	9,592

During the years ended 31 December 2021 and 2020, additions to right-of-use assets were primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 18(d) and 25(b), respectively.

The Group leases offices and commercial properties under leases expiring in 2-5 years. None of the leases includes variable lease payments.

(b) Other leases

The Group leases out a number of equipment under operating lease. The leases typically run for an initial period of 18 months, with an option to renew the lease after that date at which time all terms are renegotiated. None of the lease includes variable lease payments. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2021 **RMB'000**	2020 RMB'000
Within 1 year	**3,426**	–
	3,426	–

13 INTANGIBLE ASSETS

	2021	2020
	Software	Software
	RMB'000	RMB'000
Cost:		
At 1 January	**4,401**	3,804
Additions	**204**	597
At 31 December	**4,605**	4,401
Accumulated amortisation:		
At 1 January	**1,268**	848
Charge for the year	**488**	420
At 31 December	**1,756**	1,268
Net book value:		
At 31 December	**2,849**	3,133

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

(Expressed in Renminbi unless otherwise indicated)

14 INVESTMENT IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Place of establishment and operation	Particulars of registered/ paid-in capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the company	Proportion of ownership interest: Held by a subsidiary	Principal activity
BUCG Properties 北京城建置業有限公司(Notes (i) and (ii))	The PRC	RMB50,000,000/ RMB50,000,000	100%	100%	–	Property management
Beiyu Property 北京住總北宇物業服務有限責任公司 (Notes (i) and (ii))	The PRC	RMB30,300,000/ RMB30,300,000	100%	100%	–	Property management
Chengcheng Property 北京城承物業管理有限責任公司 (Notes (i) and (ii))	The PRC	RMB15,000,000/ RMB5,000,000	100%	100%	–	Property management
Chongqing Property 北京城建重慶物業管理有限公司 (Notes (i) and (ii))	The PRC	RMB3,000,000/ RMB3,000,000	100%	100%	–	Property management
Beijing Urban Construction Jingtong Engineering Operation and Maintenance Management Co., Ltd. 北京城建京通工程運維管理有限公司 (Notes (i) and (ii))	The PRC	RMB10,000,000/ RMB10,000,000	100%	–	100%	Operation management
Beijing Beiyu Parking Service Co., Ltd. 北京北宇停車服務有限責任公司 (Notes (i) and (ii))	The PRC	RMB350,000/ RMB350,000	100%	–	100%	Parking management service
Beijing Beiyu Catering Service Co., Ltd. 北京北宇餐飲服務有限責任公司 (Notes (i) and (ii))	The PRC	RMB2,000,000/ RMB2,000,000	100%	–	100%	Catering services
Beijing North Changyu Heating Service Co., Ltd. 北京北方昌宇供熱服務有限公司 (Notes (i) and (ii))	The PRC	RMB2,000,000/ RMB2,000,000	100%	–	100%	Heating services
Beijing Senqi Greening Engineering Co., Ltd. 北京森齊綠化工程有限責任公司 (Notes (i) and (ii))	The PRC	RMB10,000,000/ RMB10,000,000	82%	–	82%	Greening engineering

(Expressed in Renminbi unless otherwise indicated)

14 INVESTMENT IN SUBSIDIARIES *(Continued)*

Company name	Place of establishment and operation	Particulars of registered/ paid-in capital	Proportion of ownership interest: Group's effective interest	Held by the company	Held by a subsidiary	Principal activity
Beijing Beiyu Tengan Property Service Co., Ltd. ("Beiyu Tengan") 北京北宇騰安物業服務有限公司 (Notes (i), (ii) and (iii))	The PRC	RMB1,000,000/ RMB1,000,000	50%	–	50%	Property management
Beijing Tiannuo Property Management Co., Ltd. ("Tiannuo Property") 北京天諾物業管理有限責任公司(Notes (i), (ii) and (iv))	The PRC	RMB10,600,000/ RMB10,600,000	50%	–	50%	Property management

Notes:

(i) These entities were registered as domestic limited liability companies under the laws and regulations in the PRC.

(ii) The English translation of the names are for identification only. The official names of these entities are in Chinese.

(iii) Pursuant to agreement with the other shareholder who holds 23% equity interests in Beiyu Tengan, the shareholder would act in concert with Beiyu Property in exercise of his voting power at the general meetings and the director nominated by that shareholder would act in concert with the directors nominated by Beiyu Property in exercise of his voting power at the board meetings. Beiyu Property has rights to variable returns from its involvement with Beiyu Tengan and has the ability to affect those returns through its power over Beiyu Tengan. Accordingly, Beiyu Tengan is consolidated in the Group's consolidated financial statements as a subsidiary.

(iv) Pursuant to agreement with the other shareholder who holds 50% equity interest in Tiannuo Property, the shareholder would act in concert with the Beiyu Property in exercise of his voting power at the general meetings and the director nominated by that shareholder would act in concert with the directors nominated by Beiyu Property in exercise of his voting power at the board meetings. Beiyu Property has rights to variable returns from its involvement with Tiannuo Property and has the ability to affect those returns through its power over Tiannuo Property. Accordingly, Tiannuo Property is consolidated in the Group's consolidated financial statements as a subsidiary.

15 OTHER FINANCIAL ASSETS

	Note	**2021** **RMB'000**	2020 RMB'000
Equity investments designated at FVOCI			
– Unlisted equity investments	25(d)	**95,727**	94,410

The unlisted equity investments mainly represent equity interests in Beijing Jindi Real Estate Development Co., Ltd. (北京金第房地產開發有限責任公司, "Jindi Real Estate"). The Group holds 9.09% equity interests in Jindi Real Estate. The Group designated its equity investments at FVOCI, as the investments are held for strategic purpose. No dividends were received on these investments during the year ended 31 December 2021 (2020: nil).

16 INVENTORIES

	2021 **RMB'000**	2020 RMB'000
Raw materials	**602**	282
Low-value consumables	**–**	175
Parking lots for sales	**5,043**	6,467
	5,645	6,924

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2021 **RMB'000**	2020 RMB'000
Carrying amount of parking lots sold	**1,424**	21,818

As at 31 December 2021, the amount of parking lots for sales expected to be recovered after more than one year is RMB5,043,000. All of the other inventories are expected to be recovered within one year.

17 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2021 **RMB'000**	2020 RMB'000
Trade receivables		
– related parties (Note 27(c))	**114,900**	93,078
– third parties	**296,641**	239,567
	411,541	332,645
Less: allowance for trade receivables (Note 25(a))	**(61,582)**	(51,885)
	349,959	280,760
Amounts due from related parties (Note 27(c))		
– interest-bearing receivables	**–**	220,000
– interest receivables	**–**	2,125
– other receivables from related parties	**2,274**	2,003
Dividends receivable (Note 27(c))	**1,550**	1,594
Deposits	**2,190**	2,831
Other receivables	**9,797**	5,674
Less: allowance for other receivables	**(1,073)**	(1,073)
	14,738	233,154
Financial assets measured at amortised cost	**364,697**	513,914
Prepayments		
– related parties (Note 27(c))	**19,288**	19,335
– third parties	**68,548**	31,746
Input VAT to be deducted	**9,932**	3,937
	462,465	568,932

17 PREPAYMENTS, TRADE AND OTHER RECEIVABLES *(Continued)*

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

As at 31 December 2021, other receivables due from related parties are unsecured and interest-free. Details of the amounts due from related parties are set out in Note 27(c).

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:

	2021	2020
	RMB'000	RMB'000
Within 1 year	**248,649**	221,258
1 to 2 years	**71,331**	33,657
2 to 3 years	**16,620**	15,073
3 to 4 years	**6,284**	6,326
4 to 5 years	**3,123**	2,422
Over 5 years	**3,952**	2,024
	349,959	280,760

Trade receivables are due when the receivables are recognised. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 25(a).

(b) Expected credit loss on trade receivables

The movements in the loss allowance in respect of trade receivables during the reporting period are as follows:

	2021	2020
	RMB'000	RMB'000
At 1 January	**51,885**	45,471
Expected credit loss recognised	**9,697**	6,414
At 31 December	**61,582**	51,885

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	2021	2020
	RMB'000	RMB'000
Cash on hand	**37**	101
Cash at bank	**1,093,311**	751,859
Less: restricted cash (Note)	**6,052**	4,916
	1,087,296	747,044

The Company

	2021	2020
	RMB'000	RMB'000
Cash at bank	**946,311**	53,000

Note:

As at 31 December 2021 and 2020, 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.

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(continued)*

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	**2021** **RMB'000**	2020 RMB'000
Profit before taxation		**110,839**	91,060
Adjustments for:			
Interest income on receivables from related parties	6(a)	**(2,127)**	(10,373)
Finance costs	6(b)	**2,480**	2,338
Depreciation of property, plant and equipment	12	**11,152**	12,370
Amortisation of intangible assets	13	**488**	420
Changes in fair value of investment properties	11	**(1,650)**	(7,310)
Expected credit loss on trade and other receivables	6(d)	**9,697**	6,343
Gain on disposal of property, plant and equipment	5	**–**	(92)
Foreign exchange loss	5	**1,020**	–
Changes in working capital:			
Decrease/(increase) in inventories		**1,279**	(5,887)
(Increase)/decrease in prepayments, trade and other receivables		**(125,355)**	43,241
(Increase)/decrease in restricted cash		**(1,136)**	37,314
Increase in contract liabilities		**25,065**	24,030
(Decrease)/increase in trade and other payables		**(28,119)**	50,474
Increase/(decrease) in defined benefit obligations		**2,029**	(696)
Cash generated from operations		**5,662**	243,232

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(continued)*

(c) Reconciliation of liabilities arising from financing activities

Lease liabilities	**2021** **RMB'000**	2020 RMB'000
At 1 January	**5,636**	6,388
Changes from financing cash flows:		
Interest element of lease rentals paid	**(281)**	(271)
Capital element of lease rentals paid	**(4,906)**	(6,748)
Total changes from financing cash flows	**(5,187)**	(7,019)
Other changes:		
Increase in lease liabilities	**4,167**	5,996
Finance costs (Note 6(b))	**281**	271
Total other changes	**4,448**	6,267
At 31 December	**4,897**	5,636

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2021 **RMB'000**	2020 RMB'000
Within operating cash flows	**(2,905)**	(9,592)
Within financing cash flows	**(5,187)**	(7,019)
	(8,092)	(16,611)

These amounts relate to the following:

	2021 **RMB'000**	2020 RMB'000
Lease rentals paid	**(8,092)**	(16,611)

19 TRADE AND OTHER PAYABLES

The Group

	2021	2020
	RMB'000	RMB'000
Trade payables		
– related parties	**47,637**	29,009
– third parties	**181,040**	134,842
	228,677	163,851
Amounts due to related parties (Note (i))	**25,323**	95,307
Accrued payroll and other benefits	**21,338**	19,803
Other taxes and charges payable	**16,278**	25,796
Deposits (Note (ii))	**77,431**	71,129
Amounts due to property owners	**14,378**	14,378
Receipts on behalf of property owners and tenants (Note (iii))	**58,847**	50,692
Housing maintenance funds payable (Note (iv))	**216,332**	235,105
Amounts due to property developers	**13,812**	13,812
Other payables and accruals	**59,697**	53,194
	503,436	579,216
	732,113	743,067

The Company

	2021	2020
	RMB'000	RMB'000
Trade payables		
– related parties	**–**	250
– third parties	**19,535**	–
	19,535	250
Amounts due to subsidiaries	**685,010**	–
Accrued payroll and other benefits	**87**	–
Other taxes and charges payable	**290**	–
Other payables and accruals	**114**	–
	685,501	–
	705,036	250

19 TRADE AND OTHER PAYABLES *(continued)*

Notes:

(i) Starting from 2020, the Group received refurbishment payment from a tenant on behalf of fellow subsidiaries of BUCG, which provide refurbishment services to such tenant. As a result, the amount due to related parties at 31 December 2021 also included the refurbishment payment of RMB16,624,000 (2020: RMB79,547,000).

(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 Beiyu Property received from 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.

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

	2021	2020
	RMB'000	RMB'000
Within 1 year	**200,715**	131,319
1 to 2 years	**7,814**	5,635
2 to 3 years	**3,611**	1,574
Over 3 years	**16,537**	25,323
	228,677	163,851

20 CONTRACT LIABILITIES

	2021	2020
	RMB'000	RMB'000
Billings in advance of performance		
– related parties	**1,974**	5,515
– third parties	**271,708**	243,102
	273,682	248,617

Movements in contract liabilities

	2021	2020
	RMB'000	RMB'000
Balance at 1 January	**248,617**	224,587
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	**(248,129)**	(224,017)
Increase by cash received	**273,194**	248,047
Balance at 31 December	**273,682**	248,617

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided.

The amounts of contract liabilities expected to be recognised as revenue after more than one year are RMB333,000 (2020: RMB1,179,000).

21 LEASE LIABILITIES

	2021	2020
	RMB'000	RMB'000
Within 1 year	**3,428**	3,167
After 1 year but within 2 years	**997**	1,051
After 2 years	**472**	1,418
	1,469	2,469
	4,897	5,636

22 DEFINED BENEFIT RETIREMENT PLANS

The Group paid post-employment benefits to certain of its retirees, inactive employees and active employees after their normal retirement age in the PRC. In addition, the Group was committed to make termination benefits payment to certain inactive employees. These benefits were only applicable to the qualifying employees.

The actuarial valuations of the present value of the defined benefit obligations as at 31 December 2021 and 2020 were carried out by an independent firm of actuaries, Willis Towers Watson, a member of China Association of Actuaries, using the Projected Unit Credit actuarial cost method.

The plans expose the Group to actuarial risks, such as interest rate risk and longevity risk. Information about the plans is disclosed below:

(a) The amounts recognised in the consolidated statement of financial position are as follows:

	2021 RMB'000	2020 RMB'000
Present value of the defined benefit obligations	**66,342**	59,449

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future payments will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group expects to pay RMB2,641,000 to defined benefit retirement plans in 2022.

(b) Movements in the present value of the defined benefit obligations

	2021 RMB'000	2020 RMB'000
At 1 January	**59,449**	60,486
Remeasurements:		
– Actuarial losses/(gains) arising from changes in financial assumptions	**2,665**	(2,408)
	62,114	58,078
Benefits paid by the Group	**(1,813)**	(2,906)
Current service cost	**3,842**	2,210
Interest cost	**2,199**	2,067
At 31 December	**66,342**	59,449

22 DEFINED BENEFIT RETIREMENT PLANS *(continued)*

(c) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2021	2020
	RMB'000	RMB'000
Current service cost	**3,842**	2,210
Interest on defined benefit obligations	**2,199**	2,067
Total amounts recognised in profit or loss	**6,041**	4,277
Actuarial losses/(gains)	**2,665**	(2,408)
Total amounts recognised in other comprehensive income	**2,665**	(2,408)
Total defined benefit costs	**8,706**	1,869

The current service cost and interest on defined benefit obligations are recognised in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2021	2020
	RMB'000	RMB'000
Administrative expenses	**3,842**	2,210
Finance costs	**2,199**	2,067
	6,041	4,277

(d) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2021	2020
Discount rate – post-employment benefits	**3.25%**	3.75%
Annual withdrawal rate	**3.00%**	3.00%
Annual increase rate of medical benefits	**6.00%**	6.00%
Mortality rate	**CL5/CL6 (2010-2013)**	CL5/CL6 (2010-2013)

22 DEFINED BENEFIT RETIREMENT PLANS *(continued)*

(d) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows: *(Continued)*

During the reporting period, the weighted-average duration of post-employment benefits and termination benefits of the defined benefit obligations was 17 years and 3 years respectively.

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

	Increase/(decrease) of defined benefit obligations	
	2021	2020
	RMB'000	RMB'000
Discount rate		
– increase by 0.25%	**(2,700)**	(2,289)
– decrease by 0.25%	**2,891**	2,442
Annual withdrawal rate		
– increase by 1%	**(1,792)**	(1,375)
– decrease by 1%	**2,073**	1,586
Annual increase rate of medical benefits		
– increase by 1%	**8,588**	7,022
– decrease by 1%	**(6,518)**	(5,386)

23 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2021	2020
	RMB'000	RMB'000
PRC Corporate Income Tax		
At 1 January	**78,718**	68,220
Charged to profit or loss (Note 7)	**29,557**	22,207
Payments during the year	**(91,717)**	(11,709)
At 31 December	**16,558**	78,718

23 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	Credit loss allowance RMB'000	Defined benefit obligations RMB'000	Tax Loss RMB'000	Depreciation charge of right-of-use assets RMB'000	Revaluation of investment properties RMB'000	Revaluation of financial assets RMB'000	Total RMB'000
At 1 January 2020	11,561	15,122	463	(153)	(58,548)	(963)	(32,518)
Credited/(charged) to profit or loss	1,510	343	(79)	(42)	(1,828)	–	(96)
(Charged)/credited to other comprehensive income	–	(602)	–	–	–	297	(305)
Effect of deemed distribution	–	–	–	–	28,615	–	28,615
At 31 December 2020 and 1 January 2021	13,071	14,863	384	(195)	(31,761)	(666)	(4,304)
Credited/(charged) to profit or loss	2,480	1,057	(282)	23	(413)	–	2,865
Credited/(charged) to other comprehensive income	–	666	–	–	–	(329)	337
At 31 December 2021	**15,551**	**16,586**	**102**	**(172)**	**(32,174)**	**(995)**	**(1,102)**

(ii) Reconciliation to the consolidated statement of financial position

	2021 RMB'000	2020 RMB'000
Net deferred tax asset recognised in the consolidated statements of financial position	**32,239**	28,318
Net deferred tax liability recognised in the consolidated statements of financial position	**(33,341)**	(32,622)
	(1,102)	(4,304)

24 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital RMB'000	Capital reserve RMB'000	Defined benefit obligation remeasurement reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 22 December 2020 (date of establishment)	–	–	–	–	–
Changes in equity for 2020:					
Profit and total comprehensive income for the period	–	–	–	(459)	(459)
Issue of shares (Note 24(b))	110,000	772,500	–	–	882,500
Balance at 31 December 2020 and 1 January 2021	110,000	772,500	–	(459)	882,041
Changes in equity for 2021:					
Profit for the year	–	–	–	950	950
Other comprehensive income	–	–	(167)	–	(167)
Total comprehensive income	–	–	(167)	950	783
Issue of ordinary shares upon initial public offerings, net of issuing costs (Note 24(b))	36,667	170,282	–	–	206,949
Balance at 31 December 2021	146,667	942,782	(167)	491	1,089,773

24 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(b) Share capital

	No. of shares '000	RMB'000
Ordinary shares issued and fully paid		
At 22 December 2020 (date of establishment)	–	–
Issue of shares (Note 2(b))	110,000	110,000
At 31 December 2020 and 1 January 2021	110,000	110,000
Issue of ordinary shares upon initial public offerings	36,667	36,667
At 31 December 2021	146,667	146,667

The Company was established in the PRC on 22 December 2020 as a joint stock company with limited liability with a registered share capital of RMB110,000,000.

On 10 November 2021, the Company issued 36,667,200 H shares with par value of RMB1.00 at a price of HKD8.28 per share by way of initial public offering to Hong Kong and overseas investors. Net proceeds from such issue amounted to HKD252,107,000 (equivalent to RMB206,949,000) out of which HKD44,668,000 (equivalent to RMB36,667,000) and HKD207,439,000 (equivalent to RMB170,282,000) were recorded in share capital and capital reserve respectively.

(c) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2021 RMB'000	2020 RMB'000
Final dividend proposed after the end of the reporting period of RMB15.81 cents (2020: nil) per ordinary share	**23,188**	–

The final dividend proposed for shareholders' approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) No dividends have been paid by the Company since its establishment.

(iii) In 2020, dividends of RMB10,700,000 have been declared and paid by Beiyu Property and Chengcheng Property to the previous owners. In 2020, dividends of RMB5,444,000 have been declared and paid by Tiannuo Property, Beiyu Tengan and Chengcheng Property to non-controlling interests.

24 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(d) Nature and purpose of reserves

(i) Capital reserve

Capital reserve balance mainly represents:

– the aggregate amount of the paid-in capital and capital reserve of all entities comprising the Group at the respective dates and before the establishment of the Company;

– the excess of net assets of certain subsidiaries and cash transferred to the Company by the previous owners upon the establishment of the Company less the nominal value of the ordinary shares issued to the previous owners;

– the difference between the consideration paid and net assets acquired by the Company for acquisition of non-controlling interests in subsidiaries; and

– the net proceeds in excess of the par value of issued ordinary shares upon initial public offerings.

(ii) Statutory surplus reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies which are incorporated in the PRC until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to equity holders.

For the entities concerned, this reserve can be utilised in setting off accumulated losses or increasing capital and is non-distributable other than in liquidation.

As at 31 December 2021 and 2020, appropriation to surplus reserve made by the Company's subsidiaries amounting to RMB53,894,000 and RMB48,482,000 respectively was included in the consolidated retained earnings attributable to equity shareholders of the Company.

(iii) Defined benefit obligation remeasurement reserve

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

(iv) Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of equity investments designated at FVOCI.

24 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(e) Non-controlling interests ("NCI")

At 31 December 2021 and 2020, NCI primarily relates to Tiannuo Property with details set out below.

	2021	2020
Percentage of equity interest held by non-controlling interests:		
– Tiannuo Property	**50%**	50%

Prior to the completion of the Reorganisation, the share of 58.14% interest in the net assets and results of Chengcheng Property and Chongqing Property, which was indirectly held by BUCG through its 41.86% owned subsidiary BUCID, was presented as non-controlling interests in the consolidated financial statements of the Group. Upon the completion of the Reorganisation, the non-controlling interests of Chengcheng Property and Chongqing Property, representing 58.14% of their equity interest, were acquired by the Company and since then Chengcheng Property and Chongqing Property are 100% owned by the Company.

	2021 **RMB'000**	2020 RMB'000
Profit for the year allocated to non-controlling interests:		
– Chengcheng Property	**–**	8,842
– Chongqing Property	**–**	1,476
– Tiannuo Property	**1,698**	812

	2021 **RMB'000**	2020 RMB'000
Accumulated balances of non-controlling interests at the reporting period:		
– Tiannuo Property	**20,172**	18,473

24 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(e) Non-controlling interests ("NCI") *(Continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

(i) Chengcheng Property

	2020 RMB'000
Revenue	389,277
Profit for the year	15,209
Total comprehensive income	15,339
Profit allocated to NCI	8,842
Dividend paid to NCI	5,128

(ii) Chongqing Property

	2020 RMB'000
Revenue	21,109
Profit for the year	2,538
Total comprehensive income	2,538
Profit allocated to NCI	1,476
Dividend paid to NCI	–

(iii) Tiannuo Property

	2021 **RMB'000**	2020 RMB'000
Revenue	**130,875**	128,088
Profit for the year	**3,396**	1,624
Total comprehensive income	**3,398**	1,627
Profit allocated to NCI	**1,698**	812
Dividend paid to NCI	**–**	314

	2021 **RMB'000**	2020 RMB'000
Current assets	**74,438**	80,479
Non-current assets	**15,591**	19,225
Current liabilities	**(47,764)**	(60,177)
Non-current liabilities	**(1,921)**	(2,581)
Net assets	**40,344**	36,946
Carrying amount of NCI	**20,172**	18,473

24 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group's overall strategy remains unchanged throughout the reporting period.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash at bank, and trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents are limited because the counterparties are banks and financial institutions with a high credit standing assigned by the management of the Group, to which the Group considers having low credit risk.

In respect of amounts due from related parties, dividends receivable, deposits and prepayments, interest receivables, and amounts due from staff included in other receivables, the Group has assessed that the expected credit loss rate for these receivables is immaterial under 12 months expected losses method based on historical settlement records and looking-forward information. Thus except for RMB1,073,000 (2020: RMB1,073,000) of allowance provision provided, no other loss allowance provision for these receivables was recognised during the reporting period.

In respect of trade receivables, the Group measures loss allowances at an amount equal to lifetime ECLs based on historical settlement records and forward-looking information. The Group has large number of customers and there was no concentration of credit risk. In addition, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group considers that a default event occurs when there is significant decrease in services fee collection rate and estimates the expected credit loss rate for the reporting period. Normally, the Group does not obtain collateral from customers.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk *(Continued)*

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2021 and 2020.

	2021			2020		
	Expected loss rate %	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Related parties	**0.10%**	**114,900**	**(115)**	0.10%	93,078	(93)
Third parties						
Within 1 year	**7.13%**	**174,478**	**(12,444)**	7.26%	143,029	(10,386)
1-2 years	**19.75%**	**63,839**	**(12,606)**	22.48%	40,393	(9,082)
2-3 years	**31.98%**	**21,332**	**(6,822)**	34.06%	22,857	(7,784)
3-4 years	**53.52%**	**10,689**	**(5,721)**	48.22%	12,218	(5,892)
4-5 years	**72.67%**	**8,888**	**(6,459)**	64.49%	6,820	(4,398)
Over 5 years	**100.00%**	**17,415**	**(17,415)**	100.00%	14,250	(14,250)
		411,541	**(61,582)**		332,645	(51,885)

Expected loss rates are based on actual loss experience over the past 4 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Trade receivables from third parties usually have higher expected loss rates. As at 31 December 2021, trade receivables from third parties accounted for 72.1% (2020: 72.0%) of the total trade receivables. Loss allowance are calculated based on the ECL rates and reflected the increase in trade receivables from third parties during the reporting period.

(Expressed in Renminbi unless otherwise indicated)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surplus and the raising of loans to cover expected cash demands, subject to approval by the board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	2021					2020				
Contractual undiscounted cash outflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 December	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 December
Trade and other payables	732,113			732,113	732,113	743,067	–	–	743,067	743,067
Lease liabilities	3,566	1,034	485	5,085	4,897	3,356	1,157	1,481	5,994	5,636
	735,679	1,034	485	737,198	737,010	746,423	1,157	1,481	749,061	748,703

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk is not significant.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

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 year end and is reviewed and approved by the chief accountant. Discussion of the valuation process and results with the chief accountant is held once a year, to coincide with the reporting dates.

	Fair value hierarchy	Fair value at 31 December	
		2021	2020
		RMB'000	RMB'000
Recurring fair value measurements			
Other financial assets			
– Equity investments designated at FVOCI	Level 3	**95,727**	94,410

During the year ended 31 December 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2020: 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.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement *(Continued)*

(i) ***Financial assets and liabilities measured at fair value*** *(Continued)*

Information about Level 3 fair value measurements

	Valuation techniques and key inputs	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**
Unlisted equity investments, mainly representing equity interests in Jindi Real Estate, a property development company holding land and properties for development for sale or for rent. Major land and properties of Jindi Real Estate have been revalued at each year end.	Income approach and market approach The key inputs are: – Capitalisation rate; – Unit rent of individual unit; – Market price	Capitalisation rate: 5.80%-7.30% (2020: 5.91%-7.41%) Unit rent per sq.m. per month: RMB92-RMB130 (2020: RMB92-RMB130) Market price per sq.m.: RMB21,000-RMB80,000 (2020: RMB24,000-RMB80,000)	The higher the capitalisation rate, the lower the market value The higher the unit rent, the higher the market value 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:

	2021 **RMB'000**	2020 RMB'000
Fair value		
At 1 January	**94,410**	95,597
Change in fair value	**1,317**	(1,187)
At 31 December	**95,727**	94,410

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement *(Continued)*

(i) ***Financial assets and liabilities measured at fair value*** *(Continued)*

Information about Level 3 fair value measurements (Continued)

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

	Increase/(decrease) of other financial assets - equity investments designated at FVOCI	
	2021	2020
	RMB'000	RMB'000
Capitalisation rate		
– increase by 0.25%	**(1,707)**	(1,725)
– decrease by 0.25%	**1,742**	1,725
Unit rent per sq.m. per month		
– increase by 1%	**593**	591
– decrease by 1%	**(593)**	(591)
Market price per sq.m.		
– increase by 1%	**1,218**	840
– decrease by 1%	**(1,218)**	(840)

(ii) ***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 31 December 2021 and 2020.

26 CONTINGENT ASSETS AND LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2021 (2020: nil).

27 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	2021 RMB'000	2020 RMB'000
Short-term employee benefits	**4,649**	4,713
Post-employment benefits	**230**	169
	4,879	4,882

Total remuneration is included in "staff costs" (see Note 6(c)).

(b) Significant related party transactions

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

Nature of related party	2021 RMB'000	2020 RMB'000
Provision of services		
– The BUCG Group	**221,660**	181,332
– Associates of the BUCG Group	**2,550**	3,696
Receiving services		
– The BUCG Group	**45,236**	43,889
– Associates of the BUCG Group	**3,153**	1,136
Purchase of parking lots		
– The BUCG Group	**–**	46,654
Interest income		
– The BUCG Group	**2,127**	10,373
Rental income		
– The BUCG Group	**2,634**	–
Rental expenses		
– The BUCG Group	**3,456**	11,244
Deposits withdrawn		
– The BUCG Group	**220,000**	183,053

27 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(c) Balances with related parties:

	2021 **RMB'000**	2020 RMB'000
Trade nature		
Prepayments and trade receivables		
– The BUCG Group	**133,148**	111,357
– Associates of the BUCG Group	**1,040**	1,056
Trade payables		
– The BUCG Group	**44,952**	27,873
– Associates of the BUCG Groups	**2,685**	1,136
Contract liabilities		
– The BUCG Group	**1,974**	5,500
– An associate of the BUCG Group	**–**	15
Lease liabilities		
– The BUCG Group	**4,425**	4,355
Non-trade nature		
Other receivables		
– The BUCG Group	**3,804**	225,722
– An associate of the BUCG Group	**20**	–
Other payables		
– The BUCG Group	**25,315**	95,307
– An associate of the BUCG Group	**8**	–

As at 31 December 2021, other receivables due from related parties are unsecured and interest-free.

27 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(d) Name and relationship with the related parties

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

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

27 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(d) Name and relationship with the related parties *(Continued)*

Name of related party	Relationship with the Group
Tianjin Jingbao Land Co., Ltd.* 天津京寶置業有限公司	Company controlled by BUCG
Tianjin Capital Investment & Development Co., Ltd.* 天津京城投資開發有限公司	Company controlled by BUCG
Beijing Shoucheng Land Co., Ltd.* 北京首城置業有限公司	Company controlled by BUCG
Beijing Uni. -Construction Jingfang Real Estate Development Co., Ltd.* 北京住總京房房地產開發有限責任公司	Company controlled by BUCG
Beijing Uni. -Construction Tongcheng Real Estate Development Co., Ltd.* 北京住總通成房地產開發有限責任公司	Company controlled by BUCG
Beijing Urban Construction Chengdu Land Co., Ltd.* 北京城建成都置業有限公司	Company controlled by BUCG
Beijing Urban Construction Chongqing Real Estate Co., Ltd.* 北京城建重慶地產有限公司	Company controlled by BUCG
Beijing Urban Construction Xincheng Investment Development Co., Ltd.* 北京城建新城投資開發有限公司	Company controlled by BUCG
Beijing Urban Construction Xinghe Real Estate Development Co., Ltd.* 北京城建興合房地產開發有限公司	Company controlled by BUCG
Beijing Urban Construction Xingrui Land Development Co., Ltd.* 北京城建興瑞置業開發有限公司	Company controlled by BUCG
Beijing Urban Construction Xingsheng Land Co., Ltd.* 北京城建興勝置業有限公司	Company controlled by BUCG
Beijing Urban Construction Xingshun Real Estate Development Co., Ltd.* 北京城建興順房地產開發有限公司	Company controlled by BUCG

27 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(d) Name and relationship with the related parties *(Continued)*

Name of related party	Relationship with the Group
Beijing Urban Construction Xingye Land Co., Ltd.* 北京城建興業置地有限公司	Company controlled by BUCG
Beijing Zhuxing Real Estate Development Co., Ltd.* 北京住興房地產開發有限公司	Company controlled by BUCG
Qingdao Shuangcheng Real Estate Co., Ltd.* 青島雙城房地產有限公司	Company controlled by BUCG
Beijing Xincheng Jinjun Real Estate Development Co., Ltd.* 北京新城金郡房地產開發有限公司	Associate of the BUCG Group
Beijing Urban Construction Boiler Pipe Installation Co., Ltd.* 北京城建鍋爐管道安裝有限公司	Associate of the BUCG Group
Beijing Urban Construction Installation Group Co., Ltd.* 北京城建安裝集團有限公司	Associate of the BUCG Group
Beijing Urban Construction Yatai Jindian Construction Engineering Co., Ltd.* 北京城建亞泰金典建設工程有限公司	Associate of the BUCG Group

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

28 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 December 2021 RMB'000**	As at 31 December 2020 RMB'000
Non-current assets			
Investments in subsidiaries	14	**829,500**	829,500
Property, plant and equipment		**12,883**	–
Intangible assets		**68**	–
Deferred tax assets		**280**	153
		842,731	829,653
Current assets			
Cash and cash equivalents	18(a)	**946,311**	53,000
Prepayments, trade and other receivables		**8,383**	14
		954,694	53,014
Current liabilities			
Trade and other payables	19	**705,036**	250
Current taxation		**381**	–
		705,417	250
Net current assets		**249,277**	52,764
Total assets less current liabilities		**1,092,008**	882,417
Non-current liabilities			
Defined benefit obligations		**2,235**	376
NET ASSETS		**1,089,773**	882,041
CAPITAL AND RESERVES	24		
Share capital		**146,667**	110,000
Reserves		**943,106**	772,041
TOTAL EQUITY		**1,089,773**	882,041

Approved and authorised for issue by the board of directors on 29 March 2022.

Name: Zhang Weize
Position: chairman of the board

Name: Yang Jun
Position: director

(Expressed in Renminbi unless otherwise indicated)

29 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 29 March 2022, the directors of the Company proposed a final dividend. Further details are disclosed in Note 24(c).

30 IMMEDIATE AND ULTIMATE HOLDING COMPANY

As at 31 December 2021, the directors of the Company consider the immediate and ultimate controlling company of the Group to be BUCG, which is a state-owned enterprise established in the PRC. BUCG does not produce financial statements available for public use.

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2021

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and a new standard, IFRS 17, Insurance contracts, which are not yet effective for the year beginning 1 December 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IFRS 3, *Reference to the Conceptual Framework*	1 January 2022
Amendments to IAS 16, Property, Plant and Equipment: *Proceeds before Intended Use*	1 January 2022
Amendments to IAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*	1 January 2023
IFRS 17, *Insurance contracts*	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*	1 January 2023
Amendments to IAS 8, *Definition of Accounting Estimates*	1 January 2023
Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined at a future date
Amendments to IFRS 4, *Extension of the temporary exemption from applying IFRS 9*	To be determined at a future date

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

XII. Four Year Financial Highlights

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December			
	2018	2019	2020	**2021**
	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	917,872	1,045,413	1,090,554	**1,224,584**
Cost of sales	(726,592)	(838,255)	(864,080)	**(951,935)**
Gross profit	191,280	207,158	226,474	**272,649**
Profit for the year	41,377	51,119	68,757	**84,147**
Other comprehensive income/(loss) for the year, net of tax	(5,253)	5,421	916	**(1,011)**
Total comprehensive income for the year	36,124	56,540	69,673	**83,136**
Attributable to:				
Owners of the Company	36,868	37,932	57,504	**82,753**
Non-controlling interests	4,509	13,187	11,253	**1,394**
Earnings per share, basic and diluted (RMB)	–	–	0.56	**0.72**

CONSOLIDATED STATEMENT OF ASSETS, EQUITY AND LIABILITIES

	As at 31 December			
	2018	2019	2020	**2021**
	RMB'000	RMB'000	RMB'000	**RMB'000**
Assets				
Non-current assets	371,188	427,401	254,415	**269,682**
Current assets	1,076,017	1,141,461	1,327,816	**1,561,458**
Total assets	1,447,205	1,568,862	1,582,231	**1,831,140**
Equity and liabilities				
Total equity	445,942	489,688	414,122	**704,207**
Non-current liabilities	120,038	121,149	94,540	**101,152**
Current liabilities	881,225	958,025	1,073,569	**1,025,781**
Total liabilities	1,001,263	1,079,174	1,168,109	**1,126,933**
Total equity and liabilities	1,447,205	1,568,862	1,582,231	**1,831,140**

BUCG