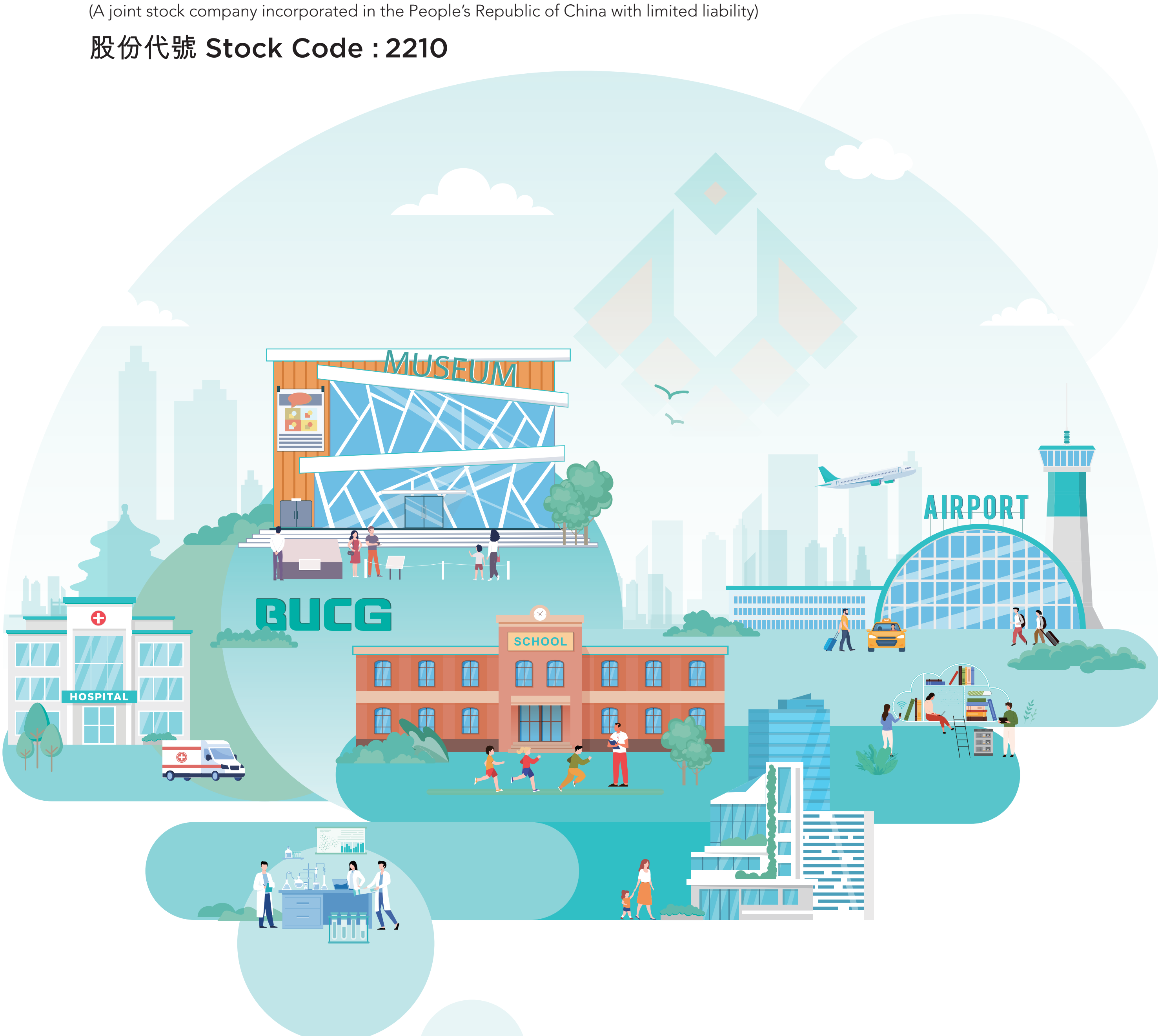
北京京城佳業物業股份有限公司

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



2024 ANNUAL REPORT 年度報告

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I. Corporation Information

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

As of 31 December 2024, Capital Jiaye and its subsidiaries (the "**Group**" or "**we**") had more than 45.9 million sq.m. of area under its management and expanded its presence in 12 provinces, centrally-administered municipalities and autonomous regions across the country. The Group operated a diversified range of properties, covering residential, commercial and other properties, as well as diversified project types, including office buildings, public buildings, scientific research institutes, military barracks, medical care apartments, theatres and venues, subway stations, and office buildings of party or government organizations, etc. Representative projects include office buildings in Beijing's sub-center, the National Stadium (Bird's Nest), National Peking Opera Company, Beijing Institute of Fashion Technology, headquarters of large central enterprises, National Tennis Center, etc. In addition to the basic business, the value-added business covers tenant sourcing and management, real estate brokerage, sales office and display unit management and delivery, construction site property management, catering services, heat energy supply, engineering operations and maintenance, carpark space operation, move-in and furnishing and community elderly services, etc.

As a professional company engaging in property services at an earlier time among large state-owned enterprises, the Group has extensive experience in asset management and property services. The Group has developed a sound scientific management mechanism in the operation of commercial property assets and property services, and is a member unit of China Property Management Institute (中國物業管理協會), a vice president institution of the Beijing Property Management Association (北京物業管理行業協會), a member unit of the Listed Companies Association of Beijing (北京上市公司協會) and the subsidiaries are member units of Union International Concierge Organization (國際金鑰匙聯盟). The Company has been recognized as one of the "China's Top 100 Property Management Companies" (中國物業服務百強企業) and "China's Leading Property Management Company for Featured Service" (中國特色物業服務領先企業) for consecutive years. During the year, Capital Jiaye ranked 17th among China's Top 100 Property Management Companies, and was awarded the titles of leading companies in social responsibility, characteristic services, satisfaction and service capabilities by China Index Academy, Cric Property Management and China Property Management Research Institution successively. The Group was also awarded the titles of "2024 China State-owned Property Service Excellent Enterprise" (2024中國國有物業服務優秀企業), "2024 China's Top 100 Property Management Companies Leading in Satisfaction" (2024中國物業服務百強滿意度領先企業), "China Property Management Services Enterprise Featured Brand in 2024 – Value-Added Services" (2024中國特色物業服務領先企業－增值服務), "China's Socially Responsible Property Management Services Enterprise of the Year in 2024" (2024中國物業服務年度社會責任感企業), "2024 China's Top 10 Listed Property Management Companies for High-quality Development" (2024中國物業管理上市公司領先企業高質量發展TOP10), "2024 China's Top 20 Listed Property Management Companies" (2024中國物業管理上市公司20強), "2024 China's Leading Property Management Company for ESG sustainable development" (2024中國物業ESG可持續發展領先企業), "2024 Top 20 Enterprises with the Best Office Property Services in China" (2024中國辦公物業服務力TOP20企業), "2024 China's Top 20 Leading Property Services Enterprise in School Property Services" (2024中國學校物業服務力TOP20企業), "2024 China's Leading Property Management Companies in terms of Service Quality" (2024中國物業服務質量領先企業) and "2024 China's Outstanding Education Properties Management Enterprise" (2024中國教育物業管理優秀企業).

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, the Group actively integrates into the national development strategy, expands its business cross the country based in the capital city of China, develops towards a company deeply rooted in regional markets and featuring characteristic services, and strives 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 *(resigned on 22 May 2024)*

Non-executive Directors

Ms. Jiang Xin
Mr. Mao Lei
Mr. Li Zuoyang *(appointed on 22 May 2024)*

Independent Non-executive Directors

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

BOARD COMMITTEES

Audit Committee

Mr. Kong Chi Mo *(Chairman)*
Mr. Kong Weiping
Ms. Jiang Xin

Remuneration and Evaluation Committee

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

Nomination Committee

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

Strategy and Investment and ESG Committee

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

Risk and Compliance Management Committee

Mr. Yang Jun *(Chairman)*
Mr. Zhang Weize
Ms. Jiang Xin
Mr. Yao Xin *(resigned on 22 May 2024)*
Mr. Kong Weiping
Mr. Li Zuoyang *(appointed on 22 May 2024)*

SUPERVISORY COMMITTEE

Mr. Liu Fengyuan *(Chairman) (resigned on 22 May 2024)*
Mr. Liu Yueming *(Chairman) (appointed on 22 May 2024)*
Mr. Hu Mingkai
Ms. Liu Fang *(resigned on 22 May 2024)*
Ms. Yang Jie *(appointed on 22 May 2024)*

JOINT COMPANY SECRETARIES

Mr. Chen Shuang
Ms. Mok Ming Wai *(resigned on 25 September 2024)*
Ms. Leung Wing Han Sharon *(appointed on 25 September 2024)*

AUTHORIZED REPRESENTATIVES

Mr. Zhang Weize
Ms. Mok Ming Wai *(resigned on 25 September 2024)*
Ms. Leung Wing Han Sharon *(appointed on 25 September 2024)*

AUDITOR

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

I. Corporation Information

LEGAL ADVISERS

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

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

PRINCIPAL BANK

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

REGISTERED OFFICE

Room 301, 3rd Floor, Building 34, Fahua South Lane, Dongcheng District, Beijing, the PRC *(before 27 June 2024)*
Room 503, Building 8, No. 5 Dongzongbu Hutong, Dongcheng District, Beijing, the PRC *(officially effective on 27 June 2024)*

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

8/F, Building A, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, PRC *(before 8 January 2024)*
11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, PRC *(officially effective on 8 January 2024)*

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong *(before 10 January 2025)*
Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong *(officially effective on 10 January 2025)*

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 and Five Year Financial Summary

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

	For the year ended 31 December	
	2024	2023
Revenue (RMB million)	**1,983.6**	1,829.4
Gross profit (RMB million)	**354.1**	376.4
Gross profit margin	**17.9%**	20.6%
Profit for the year (RMB million)	**84.6**	115.7
Net profit margin	**4.3%**	6.3%
Profit for the year attributable to equity shareholders of the Company (RMB million)	**79.7**	113.6
Basic earnings per share (RMB)	**0.54**	0.77
Return on Shareholders' equity (weighted average)	**9.6%**	14.1%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2024	2023
Total assets (RMB million)	**2,541.4**	2,367.4
Cash and cash equivalents (RMB million)	**883.0**	1,105.2
Total equity (RMB million)	**899.5**	855.2

II. Financial Summary and Five Year Financial Summary

RECENT FIVE YEAR FINANCIAL SUMMARY

	For the year ended 31 December				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024** **RMB'000**
Revenue	1,090,554	1,224,584	1,567,164	1,829,381	**1,983,611**
Cost of sales	(864,080)	(951,935)	(1,219,859)	(1,453,000)	**(1,629,470)**
Gross profit	226,474	272,649	347,305	376,381	**354,141**
Profit for the year	68,757	84,147	115,167	115,688	**84,629**
Other comprehensive income for the year, net of tax	916	(1,011)	(18,418)	(10,560)	**(9,667)**
Total comprehensive income for the year	69,673	83,136	96,749	105,128	**74,962**
Profit attributable to:					
Equity shareholders of the Company	57,504	82,753	114,200	113,594	**79,671**
Non-controlling interests	11,253	1,394	967	2,094	**4,958**
Earnings per share, basic and diluted (RMB)	0.56	0.72	0.78	0.77	**0.54**

	At 31 December				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024** **RMB'000**
Assets					
Non-current assets	254,415	269,682	299,058	455,571	**451,948**
Current assets	1,327,816	1,561,458	1,880,398	1,911,854	**2,089,496**
Total assets	1,582,231	1,831,140	2,179,456	2,367,425	**2,541,444**
Equity and liabilities					
Total equity	414,122	704,207	782,369	855,211	**899,506**
Non-current liabilities	94,540	101,152	104,476	122,619	**124,772**
Current liabilities	1,073,569	1,025,781	1,292,611	1,389,595	**1,517,166**
Total liabilities	1,168,109	1,126,933	1,397,087	1,512,214	**1,641,938**
Total equity and liabilities	1,582,231	1,831,140	2,179,456	2,367,425	**2,541,444**

III. Management Discussion and Analysis

INDUSTRY TRENDS

Under the multi-complex background of increasing macroeconomic downward pressure, slowing urbanisation and deep adjustments in the real estate market, a new round of technological revolution and industrial transformation is profoundly evolving. The property industry has shifted its emphasis from traditional scale expansion by land enclosure to lean operational management in the existing market.

In the new phase of development, the industry is characterised by the following six aspects:

Firstly, high-quality development has become a consensus in the property management industry. The industry has bid farewell to the era of competing on speed of expansion and shifted the priority from scale to efficiency. Since property enterprises have become more rational and cautious in merger and acquisition transactions, the merger and acquisition market continued to cool down. With the aim of enhancing their operational quality and efficiency, property enterprises are taking the initiatives to divest some projects with low profitability or potential risk of loss, and stepping up efforts to consolidate their post-investment management.

Secondly, the industry has been experiencing a declining trend in profit margin. As property enterprises have stepped back from scale expansion, the industry has been experiencing a gradual decline in profit margin. Industry players have difficulties in collecting property management fees, bear increasing pressures from labour costs, resource costs and other rigid expenditures, face climbing trade receivables, and their profitability has stabilised after bottoming out and returned to the level of basic property management.

Thirdly, the industry is refocusing on the service essence through quality improvement. Gaining in-depth understanding of customer needs, pursuing continuous innovation of service models, enhancing service standards and meeting the growing demand of property owners for quality living are fundamental to the sustainable development of the industry. “Good services” will become the core competitiveness of property enterprises that differentiates one from the others. The industry will enter a period where it can enjoy the benefits of brands, services and quality.

Fourthly, business diversification is a new track of development. In 2024, the positioning of the property services industry was adjusted to “business services”, showcasing the trend of the industry towards independent development. Property enterprises have been speeding up to get rid of the reliance on related parties and focusing on the diversified development in the non-residential sector, striving to seize new opportunities in commercial offices, public buildings, hospitals, schools, railways, industrial parks and other new areas. Urban services and Integrated Facility Management (“**IFM**”) also became the new battlegrounds for leading property enterprises to expand their territories.

Fifthly, the industry is facing the challenge of breaking through the bottlenecks of value-added services. Due to the impact of the declining real estate market on the value-added services to non-property owners segment together with the absence of new breakthroughs in the value-added services to property owners segment, the proportion of both value-added services and innovative services dwindled. With the downgrading of consumption, property owners and customers have become increasingly price-sensitive. They are placing higher demands on the provision of community value-added services and non-residential value-added services.

Sixthly, digital transformation is significantly accelerating. With the rise of Artificial Intelligence (“**AI**”) large models, the development of smart properties has become an important direction and key breakthrough for industry transformation and upgrading. The integration of AI with community data and enhancement of the operational efficiency in aspects such as equipment maintenance and energy management will lead to efficient, intelligent, standardised and professional property management, thereby improving service quality, reducing operational costs and enhancing the satisfaction and happiness of property owners.

III. Management Discussion and Analysis

BUSINESS REVIEW

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

Property management services: accounting for approximately 70.5% of total revenue

For the year ended 31 December 2024 (the "**Reporting Period**"), the Group's revenue from property management services amounted to approximately RMB1,398.7 million, representing an increase of approximately 23.6% as compared with the corresponding period in 2023, mainly due to the increase in the area under management and the number of projects under management of the Group.

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

	As at 31 December					
	2024			2023		
Project source	**Area under management**		**Number of projects under management**	Area under management		Number of projects under management
	sq.m.'000	**%**		sq.m.'000	%	
BUCG Group and its joint ventures or associates	**22,509**	**49.1**	**141**	21,665	52.4	142
Third parties	**23,360**	**50.9**	**141**	19,688	47.6	118
Total	**45,869**	**100.0**	**282**	41,353	100.0	260

As at the end of the Reporting Period, the area of the Group's projects under management amounted to approximately 45.9 million sq.m., of which approximately 22.5 million sq.m. were attributable to the projects under management of BUCG Group and its joint ventures or associates, and approximately 23.4 million sq.m. were attributable to the projects under management of third parties, representing an increase of approximately 3.9% and 18.7%, respectively, as compared with the corresponding period of the previous year. This was mainly attributable to the Group's full strengthening of its marketing capabilities as it highly valued its position as a marketing leader, its continued focus on high-quality development with stress on business development strategy and regional market deployment by increasing the regional management density, and the quality scale expansion through further optimisation of product structure.

During the Reporting Period, the Group had a newly contracted area of approximately 7.4 million sq.m., representing a year-on-year increase of approximately 35.2%. The newly contracted value amounted to approximately RMB695.6 million, representing a year-on-year increase of approximately 22.2%. There were 52 new fully-entrusted property projects, 49 of them were third parties' projects, and accounting for approximately 94.2%. This was mainly attributable to the Group's all-out efforts in external market expansion and continued development of its marketing system, and its persistence in promoting separate development of its business and brand.

III. Management Discussion and Analysis

During the Reporting Period, the Group's market expansion was characterised by several new features:

Firstly, the proportion of large-scale quality projects in the newly added projects increased, there were 12 new fully-entrusted projects with an annualised contract value exceeding RMB10 million. **Secondly**, office building projects continued to maintain their core strengths, we secured new projects such as Beijing Investment Tower (北投大廈), No. 2 Dongchang'an Jie, and the office building of the Development and Reform Commission of Pinggu District, Beijing. **Thirdly**, the Group's competitiveness in the university and college property service market strengthened rapidly. Apart from the projects of serving the Medical Department of Peking University, the Water Conservancy Department of Tsinghua University and Beijing Institute of Clothing, the Group further won new bids for the projects of Beijing Electronic Science & Technology Institute, Beijing Politics and Law Vocational College and Beijing Agricultural College, and was entrusted with the management of 14 university and college property management and logistics companies under 13 universities and colleges, bringing potentials for future performance growth. **Fourthly**, the Group made significant breakthroughs in the hospital property projects. We successively undertook new projects serving four Class III-A hospitals including Tongzhou hospital area of Anzhen Hospital affiliated to Capital Medical University, the new hospital area of Beijing Stomatological Hospital, Huilongguan Campus of Beijing Jishuitan Hospital and Shijingshan Campus of Beijing Chao-Yang Hospital, which has further enriched the Group's experience in providing property services for large-scale hospitals. **Fifthly**, a new project named "Beijing On-ice Training Base (北京市冰上項目訓練基地)" was secured in the cultural and sports venues segment, under which we provide services for the largest monolithic and comprehensive on-ice training center in Asia. **Sixthly**, our portfolio of property projects for public transportation venues and stations started to scale up. On top of the existing projects serving subways and expressway service areas, we secured new integrated property service projects such as China Eastern Airlines Base (Phase II) at Daxing International Airport, South section of Beijing Subway Line 8, vehicle depot at Cige Zhuang Station of Daxing Airport Express and vehicle depot at Xingong Station of Beijing Subway Line 19.

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

	2024					2023				
	Year ended 31 December		**As at 31 December**			Year ended 31 December		As at 31 December		
Property type	**Revenue**		**Area under management**		**Number of projects under management**	Revenue		Area under management		Number of projects under management
	RMB'000	**%**	**sq.m.'000**	**%**		RMB'000	%	sq.m.'000	%	
Residential properties	**561,908**	**40.2**	**28,786**	**62.8**	**163**	546,442	48.3	26,067	63.0	151
Non-residential properties	**836,744**	**59.8**	**17,083**	**37.2**	**119**	584,854	51.7	15,286	37.0	109
Total	**1,398,652**	**100.0**	**45,869**	**100.0**	**282**	1,131,296	100.0	41,353	100.0	260

As at the end of the Reporting Period, the area of the Group's residential property projects under management amounted to approximately 28.8 million sq.m., representing a year-on-year increase of approximately 10.4% and accounting for approximately 62.8% of the total area under management. During the Reporting Period, revenue from the management services for residential properties amounted to approximately RMB561.9 million, representing an increase of approximately 2.8% as compared with the corresponding period in 2023, and accounting for approximately 40.2% of the total revenue from property management services.

As at the end of the Reporting Period, the area of the Group's non-residential property projects under management amounted to approximately 17.1 million sq.m., representing a year-on-year increase of approximately 11.8% and accounting for approximately 37.2% of the total area under management. During the Reporting Period, revenue from the management services for non-residential properties amounted to approximately RMB836.7 million, representing a significant increase of approximately 43.1% as compared with the corresponding period in 2023, and accounting for approximately 59.8% of the total revenue from property management services. This was mainly attributable to the Group's strengthening market competitiveness, the relatively large proportion of revenue contribution from new non-residential projects, and our endeavours to the business diversification adjustments which are bearing fruits.

III. Management Discussion and Analysis

The Group steadily promoted quality scale development, adhered to business diversification layout, further improved the construction of its marketing system, established a robust three-dimensional collaborative marketing mechanism, and enhanced its comprehensive bidding capabilities in the market. The Group implemented grid-based management for its major clients, large-scale projects, and key regions to consolidate its market position, achieve in-depth penetration in geographic coverage, projects, businesses and areas of strength. Focusing on sectors such as hospitals, scientific research institutes, multi-purpose venues, industrial parks and high-end commercial offices, the Group continued to keep eyes on potential targets and actively deploy for the incubation of innovative and strategic businesses, so as to achieve new breakthroughs in scale and boost nationwide expansion of its property management operations.

In respect of service quality and customers' satisfaction, the Group adhered to a customer-centric approach. Through measures such as applying its quality control platform, strengthening its daily quality supervision, revising the 20 service inspection standards across 14 business segments and deepening special staff training for further improvement in service quality, the Group has gained increasing satisfaction from third-party customers over the years. In 2024, the Group continued to carry out its special action of "Quality Improvement Year" in order to optimise the standard structure, implement tiered and graded management for projects, upgrade the service standards and improve the service quality. In 2024, a number of the Group's projects received awards such as "Beijing Residential Property Management Demonstration Project" (北京市住宅物業管理示範項目) and "Beautiful Homes" (美好家園) in recognition of the Group's quality services.

In respect of the enhancement of operational management and performance, the Group adhered to the principle of corporate project management and implemented in-depth preliminary project planning in the course of project management to ensure profitability at the project level. The Group adopted lean management practices across all aspects of production and operation activities by promoting the establishment of an internal centralised procurement platform, strengthening the management of specialised subcontracting and vigorously implementing regional management. The Group continued to carry out its special governance initiatives to recover trade receivables and address loss-making and underperforming projects, which have comprehensively improved the quality and efficiency of its basic property operations.

In respect of digital development and internal control, the Group made two breakthroughs in business-finance integration and smart services. On one hand, the Group developed an integrated business-finance platform for projects under management in all segments, which links up the four core modules including business, finance, tax and capital, enabling automated data transmission and intelligent verification. On the other hand, the Group upgraded its 400 hotline service by consolidating it with "Jia Xiang Hui" (佳享薈) platform to create a multi-touch service model that can enhance the Group's management efficiency and service brand value through deep integration of digitalisation and service scenarios.

Value-added services to non-property owners: accounting for approximately 12.8% of total revenue

During the Reporting Period, the Group provided value-added services to non-property owners, including (i) engineering operations and maintenance services; (ii) tenant sourcing and management services; (iii) sales office and display unit management and delivery services; (iv) construction site property and container house leasing services; and (v) other services.

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:

	Year ended 31 December			
	2024		2023	
Service type	**Revenue**	**Percentage of revenue**	Revenue	Percentage of revenue
	RMB'000	**%**	RMB'000	%
Engineering operations and maintenance services	**66,951**	**26.4**	58,624	16.3
Tenant sourcing and management services	**58,205**	**23.0**	62,236	17.3
Sales office and display unit management and delivery services	**50,343**	**19.9**	64,816	18.1
Construction site property and container house leasing services	**19,338**	**7.6**	35,843	10.0
Emergency support services	**–**	**–**	90,587	25.2
Other services	**58,760**	**23.1**	46,724	13.1
Total	**253,597**	**100.0**	358,830	100.0

During the Reporting Period, the Group's revenue from value-added services to non-property owners amounted to approximately RMB253.6 million, representing a decrease of approximately 29.3% as compared with the corresponding period in 2023. This was mainly due to the fact that the special emergency support services, which accounted for a relatively large portion of the revenue for the corresponding period of the previous year, were no longer provided.

In respect of engineering operations and maintenance services, during the Reporting Period, the Group's revenue from engineering operations and maintenance services amounted to approximately RMB67.0 million, accounting for approximately 26.4% of the revenue from value-added services to non-property owners, representing an increase of approximately 14.2% as compared with the corresponding period in 2023. It was mainly attributable to the increasing number of the Group's projects for IFM services. In 2024, 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), our subsidiary, renewed the contracts for key projects such as providing equipment and facility operation and maintenance services for the National Stadium, and secured 49 new projects for special services, mainly in relation to services such as the comprehensive engineering operations management for buildings, facilities and equipment, routine repair and maintenance, and project modification. During the Reporting Period, the Group also intensified its efforts to explore opportunities in the IFM and energy management segment. The Group employed technologies to analyse building energy systems and provided energy management contracting and energy operation and maintenance outsourcing to reduce energy consumption and carbon emission of buildings. We also provided annual engineering service, repair and maintenance management plans for customers to reduce energy consumption, extend the useful life and maintain efficient operation of building equipment and facilities while ensuring their optimal operation.

In respect of the tenant sourcing and management services, the Group had an operating area of approximately 457,000 sq.m.. The tenant sourcing and management services contributed approximately 23.0% to the revenue from value-added services to non-property owners. With its previous service experience and competent layout in the assets operation industry, the Group achieved asset value maximisation through professional team empowerment. The offices for which the Group provided tenant sourcing services had more stable tenancies and renewals from major customers. The Group has also been broadening its marketing channels through diversified market initiatives and enhancing customer conversion with better property services and ancillary services.

In respect of the sales office and display unit management and delivery services, the number of projects increased by approximately 6.9% as compared to the corresponding period in 2023 as the Group undertook new projects such as Beijing Changping Qingyue Mansion (北京昌平清樾府) and Beijing Huairou Yanqi Town (北京懷柔雁棲小鎮) during the Reporting Period. The Group provided services in places across Beijing, Hebei, Sichuan, Chongqing and Hainan through nearly 40 projects, with the proportion of third parties' projects increased to approximately 26.0%, reflecting the increasingly stronger capabilities of the Group in market expansion and service rendering. The Group has always set a benchmark based on the "Golden Key" (金鑰匙) service standards and maintained a leading position in areas such as large-scale conference hospitality and international forum services.

In respect of the construction site property and container house leasing services, revenue from the Group's construction site property and container house leasing services was approximately RMB19.3 million during the Reporting Period, representing a year-on-year reduction of approximately 46.0% as compared with the corresponding period in 2023. This was primarily attributable to the decrease in our construction projects as our key projects have successively completed, as well as the drop in market rent of container houses. In response to these challenges, the Group focused on service innovation by developing a new "one-stop" ready-for-living solution for its construction units. The Group also integrated the site selection for office and living areas, drawing design, site construction, container house construction and site property services and organised promotion seminars for standardised construction site property management services to strengthen its market penetration and further expand its business in external markets. In 2024, the Group newly undertook five key projects such as the Rehousing Project in Haidian District.

During the Reporting Period, revenue from the Group's other services to non-property owners significantly increased by approximately 25.8% as compared to the same period in 2023 to approximately RMB58.8 million. The main reason was that the Group undertook a number of projects for special entrusted services such as special cleaning and special order maintenance which increased the revenue generation. In particular, the Group's special project services for subways have been well recognised. While capitalising on our own advantages in service diversification, we deeply explored in high-potential segment markets in order to achieve resource concentration and promote vertical development of our special services, thereby further consolidating our market position and strengthening our business competitiveness.

Community value-added services: accounting for approximately 16.7% of total revenue

The Group provides community value-added services including (i) heat energy supply services; (ii) catering services; (iii) carpark space operation services; and (iv) other services (including move-in and furnishing services, elderly care services, community retailing, in-house cleaning and maintenance, real estate brokerage services, telecommunication services, etc.).

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

	Year ended 31 December			
	2024		2023	
Service type	**Revenue**	**Percentage of revenue**	Revenue	Percentage of revenue
	RMB'000	**%**	RMB'000	%
Heat energy supply services	**126,068**	**38.0**	130,457	38.5
Catering services	**87,428**	**26.4**	80,190	23.6
Carpark space operation services	**75,725**	**22.9**	81,456	24.0
Other services	**42,141**	**12.7**	47,152	13.9
Total	**331,362**	**100.0**	339,255	100.0

During the Reporting Period, revenue from the Group's community value-added services amounted to approximately RMB331.4 million, representing a decrease of approximately 2.3% as compared to the corresponding period of the previous year, primarily due to the fact that the livelihood-related operations under our community value-added services were greatly affected by the consumption behaviors of residents, as well as the one-off revenue generated from our carpark space operation services in the corresponding period of the previous year. It is worth noting that we recorded a significant growth in the catering services because the Group undertook a number of new projects from government units and industrial parks.

Heat energy supply services: The Group realised a revenue of approximately RMB126.1 million, representing a decrease of approximately 3.4% as compared with the corresponding period of the previous year. As at the end of the Reporting Period, the Group undertook a total of 36 projects for heat energy supply services, with an aggregate heating area of nearly 4.73 million sq.m. The total heating capacity was increased to 286MW by means of equipment maintenance, technology application and other management measures, with the service areas covering the districts of Chaoyang, Haidian, Changping, Fangshan and Daxing in Beijing, and the service objects including residents, businesses, schools, etc. The Group continued to improve the renewal and reconstruction of heating equipment, employed technologies to achieve energy saving and emission reduction, and gradually explored the management of intelligent inverter heat energy supply services. These moves enabled the Group to provide energy-efficient and high-performance heat energy supply services and create a comfortable living environment for customers.

III. Management Discussion and Analysis

Catering services: The Group realised a revenue of approximately RMB87.4 million, representing an increase of approximately 9.0% as compared with the corresponding period of the previous year, accounting for approximately 26.4% of the total revenue from community value-added services. The Group has a professional catering company dedicated to providing efficient, professional and quality catering services to customers. The business segment mainly involved in four areas, namely social restaurants, group meals, hot-food chain and construction sites. Leveraging on its professional strengths, the Group has integrated and synergized the "property + group catering" businesses and achieved integrated comprehensive services. During the Reporting Period, the Group undertook 16 new catering service projects from government units and industrial parks, with approximately 36.6% of them being projects from third parties. During the Reporting Period, the Group became one of the catering service providers for Douyin Group, marking our start of providing support services for major internet companies. The Group also leveraged this opportunity to hone its expertise in catering services and strengthen its market competitiveness. Being customer-oriented and striving for excellence, the Group tailored "property service + catering service" solutions on the premise of food safety, so as to provide customers with more professional and higher-quality catering services.

Carpark space operation services and other community value-added services: Focusing on the needs of community livelihood, the Group made steady progress and realised a revenue of approximately RMB117.9 million, representing a decrease of approximately 8.4% as compared to the corresponding period of the previous year. This was primarily attributable to the absence of the impact of one-off carpark space operation income during the Reporting Period that arose from individual projects in the corresponding period of the previous year. During the Reporting Period, the Group set up the value-added services division under which a marketing team was established, dedicated to business coordination for our value-added services. While giving full play to our business value, the Group placed its efforts on further exploring the move-in and furnishing and community retailing services considering from the perspectives of community and customers' operations. During the Reporting Period, effective community operating samples were set up for move-in and furnishing services for new home deliveries, existing homes under management and community markets. Having integrated the property management services for new home deliveries and value-added services, during the Reporting Period, the Group secured a single project for value-added services generating revenue exceeding RMB3.0 million. The Group also attached great importance and gave full recognition to the services and renewal value of existing communities. To accommodate the pursuit of property owners to living a beautiful life, the Group provided lifestyle services, home refurbishing, partial improvement and elderly-friendly renovation services.

FINANCIAL REVIEW

Revenue

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

	Year ended 31 December				
	2024		2023		
	Revenue	**Percentage of revenue**	Revenue	Percentage of revenue	Growth rate
	RMB'000	**%**	RMB'000	%	%
Property management services	**1,398,652**	**70.5**	1,131,296	61.8	23.6%
Value-added services to non-property owners	**253,597**	**12.8**	358,830	19.6	-29.3%
Community value-added services	**331,362**	**16.7**	339,255	18.6	-2.3%
Total	**1,983,611**	**100.0**	1,829,381	100.0	8.4%

During the Reporting Period, the total revenue of the Group was approximately RMB1,983.6 million (2023: approximately RMB1,829.4 million), representing an increase of approximately 8.4% as compared with the same period in 2023, mainly attributable to the increase in revenue resulting from the continued expansion of the Group's management scale.

Cost of Sales

During the Reporting Period, the cost of sales of the Group was approximately RMB1,629.5 million (2023: approximately RMB1,453.0 million), representing an increase of approximately 12.1% as compared with the same period in 2023, primarily due to the consequential increase in the outsourcing cost of the Group as a result of the expansion in the area under management and the increase in the number of projects under management.

Gross Profit and Gross Profit Margin

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

	Year ended 31 December					
	2024			2023		
	Gross profit RMB'000	**Gross profit ratio %**	**Gross profit margin %**	Gross profit RMB'000	Gross profit ratio %	Gross profit margin %
Property management services	**204,448**	**57.7**	**14.6**	219,690	58.4	19.4
Value-added services to non-property owners	**99,498**	**28.1**	**39.2**	109,573	29.1	30.5
Community value-added services	**50,195**	**14.2**	**15.1**	47,118	12.5	13.9
Total	**354,141**	**100.0**	**17.9**	376,381	100.0	20.6

During the Reporting Period, the Group's gross profit was approximately RMB354.1 million, representing a decrease of approximately 5.9% as compared with approximately RMB376.4 million for the corresponding period in 2023. The gross profit margin of the Group was approximately 17.9%, representing a decrease of approximately 2.7 percentage points as compared with 20.6% for the corresponding period in 2023, mainly due to the Group's increased investment in the preliminary stage and quality maintenance of the property management projects for gaining market share amid intensifying competition in the industry where the Group operates.

During the Reporting Period, the gross profit margin from the property management services of the Group was approximately 14.6% (2023: approximately 19.4%). The gross profit margin from the value-added services to non-property owners was approximately 39.2% (2023: approximately 30.5%). The gross profit margin from the community value-added services was approximately 15.1% (2023: approximately 13.9%).

Administrative Expenses

During the Reporting Period, the total administrative expenses of the Group were approximately RMB183.5 million, representing a decrease of approximately 7.0% from approximately RMB197.4 million for the year ended 31 December 2023, primarily attributable to a decrease in staff remuneration as compared with the year ended 31 December 2023 resulting from the adjustment of the Group's staffing structure.

Other (Expense)/Income

During the Reporting Period, other expense of the Group was approximately RMB0.4 million, representing a decrease of approximately 102.1% from the other income of approximately RMB19.0 million for the year ended 31 December 2023, mainly due to the decrease in gain on disposal of the Group's right-of-use assets during the Reporting Period.

Profit for the Year

During the Reporting Period, the Group's profit for the year was approximately RMB84.6 million, representing a decrease of approximately 26.9% from approximately RMB115.7 million in the corresponding period in 2023. The profit for the year attributable to equity shareholders of the Group was approximately RMB79.7 million, representing a decrease of approximately 29.8% from approximately RMB113.6 million in the corresponding period in 2023. The decrease in the Group's profit for the year and the profit for the year attributable to equity shareholders of the Group was primarily attributable to (i) the Group's increased investment in the preliminary stage and quality maintenance of the property management projects for gaining market share; and (ii) the corresponding impairment provision made by the Group against the trade receivables that were not collected according to the accounting standards of the International Financial Reporting Standards and the Group's accounting policies.

Current Assets and Capital Structure

The Group maintained an excellent financial position and adequate liquidity during the Reporting Period. As at the end of the Reporting Period, the current assets were approximately RMB2,089.5 million, representing an increase of approximately 9.3% as compared with approximately RMB1,911.9 million as at 31 December 2023. As at 31 December 2024, the current ratio (current assets divided by current liabilities) of the Group was approximately 1.4 (31 December 2023: approximately 1.4).

As at the end of the Reporting Period, the Group's cash and cash equivalents amounted to approximately RMB883.0 million, representing a decrease of approximately 20.1% as compared with approximately RMB1,105.2 million as at 31 December 2023, primarily attributable to the allocation by the Group of a portion of idle funds to time deposits with maturity over three months for the purpose of enhancing the utilisation efficiency of its funds.

As at the end of the Reporting Period, the total equity of the Group amounted to approximately RMB899.5 million, representing an increase of approximately RMB44.3 million or approximately 5.2% as compared with approximately RMB855.2 million as at 31 December 2023, primarily due to the profit contribution achieved during the Reporting Period.

As at the end of the Reporting Period, the Group's debt-to-asset ratio was approximately 64.6%, representing an increase of approximately 0.7 percentage point as compared with approximately 63.9% as at 31 December 2023. The debt-to-asset ratio refers to the ratio of total liabilities to total assets.

Property, Plant and Equipment and Right-of-use Assets

The Group's property, plant and equipment and right-of-use assets primarily consist of buildings, properties leased for own use, office and other equipment. As at 31 December 2024, the Group's property, plant and equipment and right-of-use assets amounted to approximately RMB199.8 million, representing a decrease of approximately RMB9.1 million from approximately RMB208.9 million as at 31 December 2023, primarily due to the depreciation of the office equipment, container houses and leaseholds purchased for the Group's business operations.

Investment Properties

The Group's investment properties primarily include investment in real estate properties. As at the end of the Reporting Period, the Group's investment properties amounted to approximately RMB107.5 million, representing a decrease of approximately RMB0.5 million as compared with approximately RMB108.0 million as at 31 December 2023, primarily attributable to change in fair value of the Group's investment properties.

Prepayments, Trade and Other Receivables

As at the end of the Reporting Period, prepayments, trade and other receivables amounted to approximately RMB797.6 million, representing an increase of approximately RMB3.5 million from approximately RMB794.1 million as at 31 December 2023, primarily due to the Group's stockpiling of natural gas during the heating season which increased our prepayments.

Other receivables of the Group mainly comprised payments on behalf of customers and deposits paid for the provision of property management services. Other receivables of the Group increased from approximately RMB40.3 million as at 31 December 2023 to approximately RMB45.6 million as at the end of the Reporting Period, primarily due to the increase in bidding deposits for market expansion and the increase in other receivables such as advance payments for utilities and gas fees for business expansion.

Trade and Other Payables

As at the end of the Reporting Period, trade and other payables amounted to approximately RMB1,047.8 million, representing an increase of approximately RMB75.6 million as compared with approximately RMB972.2 million as at 31 December 2023, mainly due to the increase in amounts due to third parties.

The Group's other payables primarily consist of housing maintenance funds payable, amounts due to related parties, and renovation and utility deposits received from property owners and tenants. The Group's other payables amounted to approximately RMB489.4 million and RMB446.9 million as at 31 December 2023 and the end of the Reporting Period, respectively.

Capital Expenditure

Our capital expenditure decreased from approximately RMB36.3 million for the year ended 31 December 2023 to approximately RMB17.9 million during the Reporting Period, mainly due to the payments for the Group's procurement of container houses during the year ended 31 December 2023, which resulted in a higher base in that year. Our capital expenditure was mainly used for the purchase of office equipment, container houses and software licences.

Borrowings

As at the end of the Reporting Period, the Group did not have any borrowings or bank loans.

Pledge of Assets

As at the end of the Reporting Period, the Group did not have any pledge on its assets.

Significant Investments, Material Acquisitions and Disposals and Future Plans

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

Except for the expansion plans disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Company’s prospectus dated 29 October 2021 (the “**Prospectus**”) and the announcement of the Company dated 16 December 2024 in relation to change in use of proceeds, there were no significant investments or acquisitions or disposals of capital assets authorised by the Board as of the date of this report, and the Group will continue to identify new opportunities for business development.

The Proceeds from the Listing

The Company’s H shares were successfully listed on the Hong Kong Stock Exchange on 10 November 2021, and 36,667,200 H shares were issued. After deducting underwriting fees and related expenses, the net proceeds from the listing (the “**Proceeds**”) were approximately HK$246.91 million. The Company intended to use the Proceeds in accordance with the method and schedule set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus (the “**Original Planned Use**”).

As disclosed in the announcement of the Company dated 16 December 2024 (the “**Change in Use of Proceeds Announcement**”), in order for the Group to meet its capital requirements in a more efficient and flexible manner, the Board approved the change in the planned use and allocation of the unutilised Proceeds amounting to approximately HK$151.73 million as at 16 December 2024 (the “**Revised Use**”). Please refer to the Change in Use of Proceeds Announcement for details regarding the Revised Use of the unutilised Proceeds, and the reasons for and benefits of change in use of Proceeds.

As at the end of the Reporting Period, the Proceeds were used as planned in accordance with the section headed “Future Plans and Use of Proceeds” in the Prospectus (as amended by the Change in Use of Proceeds Announcement). The portion of the Proceeds that had not been used was placed as interest-bearing deposits with domestic bank account for proceeds.

As at the end of the Reporting Period, details of the use of the Proceeds were as follows:

The Original Planned Use of the Proceeds as stated in the Prospectus	The Revised Use of the unutilised Proceeds as of the date of the Change in Use of Proceeds Announcement	Amount of Proceeds for the Original Planned Use HK$ million	Unutilised amount of the Proceeds for the Original Planned Use as of 1 January 2024 HK$ million	Amount of unutilised Proceeds for the Revised Use as of the date of the Change in Use of Proceeds Announcement HK$ million	Percentage of unutilised Proceeds for the Revised Use as of the date of the Change in Use of Proceeds Announcement	Amount of Proceeds actually utilised for the Original Planned Use during the Reporting Period HK$ million	Amount of Proceeds actually utilised for the Revised Use during the Reporting Period HK$ million	Total Amount of Proceeds actually utilised during the Reporting Period HK$ million	Amount of Proceeds that has not been utilised for the Revised Use as of 31 December 2024 HK$ million	Expected timeline for fully utilising the Proceeds for the Revised Use
Strategic investment and acquisition	Investments, including strategic acquisitions, joint venture and partnership, and capital increase in subsidiaries	148.15	138.82	91.04	60%	–	–	–	91.04	On or before 31 December 2027
Development of value-added services	Development of value-added services	61.73	11.55	22.76	15%	11.55	–	11.55	22.76	On or before 31 December 2027
Developing and upgrading the Group's information technology infrastructure and intelligent equipment	Upgrading the Group's digital and intelligent management system	24.69	13.19	22.76	15%	0.28	–	0.28	22.76	On or before 31 December 2027
Working capital and for general corporate purposes	Working capital and for general corporate purposes	12.35	–	15.17	10%	–	–	–	15.17	On or before 31 December 2027
Total		**246.91**	**163.55**	**151.73**	**100%**	**11.83**	**-**	**11.83**	**151.73**	

Contingent Liabilities

As at the end of the Reporting Period, the Group did not have any material contingent liabilities.

Foreign Exchange Risk

The Group conducts its business in Renminbi. The Group is not expected to be subject to any significant risk relating to fluctuations in exchange rates. The Group 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.

FUTURE PROSPECTS

In the face of both new opportunities and challenges arising from the development of the property management industry, the Group will adhere to the general principles of "pursuing progress while ensuring stability and improving the quality and effectiveness", and focus on its core objectives of "stabilising growth, improving quality and efficiency, and building the brand", to thoroughly explore and grasp the new characteristics of the industry, by which we will formulate and implement a series of pragmatic measures for further strengthening the core competitiveness and brand influence and promoting high-quality development of the Group.

To understand the industry trends and deepen strategic layout. Giving full play to the leading role of our strategy for reaching new heights, starting from the strategic altitude of the capital's development in the new era and the duties of "Four Services", we will delve into understanding the development trends of the property management industry and focus around better accommodating the pursuit of people to living a beautiful life and their diverse needs for urban function and quality enhancement, striving to provide "good services" for good houses, good neighbourhoods, good communities and good urban areas through our standardised, refined, grid-based, and digital intelligent operations. Pressing ahead, we will accelerate adjustments to our business structure, gradually increase the proportion of our non-residential business, and further strengthen our business layout of diversifying in segments such as universities, hospitals, public buildings and transport hubs.

To practice our original service aspiration and enhance our core competitiveness. Back to square one, from there we move towards newness. The Group will compete with peers on services instead of price and gain market share and acquire customers with quality services. We will improve our service accuracy to precisely understand the full-cycle actual and effective demand of property owners and customers, continue to improve the Company's service system by refining our management, and enhance our service quality and efficiency to solidify the support for building a closed loop of "good houses + good services" through vivid practices.

To deepen internal reform and optimise resource allocation. With emphasis on reform deepening and inward-oriented growth, the Group will intensify its efforts to form a high-density coverage in the Beijing-Tianjin-Hebei region, optimise the corporate and organisational structure and supply chain system, enhance service concentration and comprehensive space efficiency, and develop a long-lasting mechanism for cost reduction and efficiency improvement. We will explore to unlock our potentials in achieving economies of scale and cost economy by adopting measures such as building sharing centres and optimisting work positions to reduce operating costs. We will also strive to enhance our business value by dedicating our efforts to existing projects and involving ourselves in operations such as urban renewals, landscape improvements and batch district upgrades, so as to nurture new drivers for economic growth.

To develop value-added services and build up new growth engines. Driven by its prudent judgments and pragmatic behaviours, the Group will selectively introduce suitable value-added services to accommodate all scenarios of community livelihood. We will access our core customers by providing distinctive single services such as equipment operation and maintenance, conference hospitality, and food and beverage retailing, in order to form "one-stop" solutions tailored to our core customer base, followed by accessing multi-customer base scenarios with comprehensive services. We will also leverage on the full industry chain advantage of our controlling shareholder, BUCG Group, and the first-mover advantage of the Group as a state-owned property management listed company in the capital, to create the Group's "second growth curve".

Dreams and wishes may be far, but they can be fulfilled with dedicated pursuit. Moving forward to 2025, all management and staff members of the Company will remain a high-spirited and determined attitude, with focus on our development goals and key tasks, to fully dedicate themselves to delivering warmer services, achieving higher-quality development, maintaining higher standards of governance, creating greater value for shareholders and bring a higher sense of acquisition to our staff. We will make our relentless endeavours to fulfil our vision of developing ourselves as "a provider of best-in-class urban and lifestyle services with distinguished brand awareness nationwide" and promote high-quality and steady development of the Company.

IV. Directors, Supervisors and Senior Management

Biographical details of the Directors, Supervisors and senior management of the Company at the date of this annual report are as follows:

DIRECTORS

Mr. Zhang Weize (張偉澤), aged 55, is the chairman of the Board and an executive Director of the Company, and is the secretary to the party committee of the Company. He is responsible for the overall work of the Board and the party committee. Mr. Zhang joined the Company in December 2020 when the Company was incorporated and served in his current positions. Currently, Mr. Zhang serves as the chairman of the Nomination Committee, the chairman of the Strategy and Investment and ESG Committee and a member of the Risk and Compliance Management Committee of the Company.

Prior to joining the 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, successively responsible for the 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. He was awarded the qualification of registered cost engineer by the Ministry of Personnel and the Ministry of Construction of the People's Republic of China in October 1998; 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. Zhang has been serving as the vice president of the Beijing Property Management Association since July 2021 and is mainly responsible for assisting the President in discharging his duties.

Mr. Yang Jun (楊軍), aged 56, is an executive Director, general manager and deputy secretary to the party committee of the Company. He is responsible for the overall business operations of the Group. Mr. Yang joined the Company in December 2020 when the Company was incorporated and served in his current positions. Currently, Mr. Yang also serves as the chairman of the Risk and Compliance Management Committee and a member of the Strategy and Investment and ESG Committee of the Company.

Mr. Yang successively served as the deputy general manager, general manager and chairman of Beijing Urban Construction Group Properties Co., Ltd.* (北京城建置業有限公司), 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 from December 2011 to November 2021. Prior to joining the 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.

Mr. Luo Zhou (羅周), aged 52, is an executive Director and deputy general manager of the Company. He is responsible for the strategic development and quality control of the Group. Mr. Luo joined the Company in December 2020 when the Company was incorporated and served in his current positions. Currently, Mr. Luo also serves as a member of the Strategy and Investment and ESG Committee of the Company.

Mr. Luo has served as the director and general manager of Beijing Chengcheng Property Management Co., Ltd.* (北京城承物業管理有限責任公司), a subsidiary of the 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.

Ms. Jiang Xin (蔣鑫), aged 48, is a non-executive Director of the Company. She is responsible for providing advice on the strategic development, system formulation and major operational decisions of the Group. Ms. Jiang served in her current position on 28 October 2022, following consideration and approval at the 2022 second extraordinary general meeting of the Company. Currently, Ms. Jiang also serves as members of the Audit Committee, Remuneration and Evaluation Committee and Risk and Compliance Management Committee of the Company.

Ms. Jiang has served as the deputy director of the corporate management department of BUCG since August 2020, primarily involved in the company's reform and restructuring, organizational and institutional management, and rules and regulations management. From August 2021 to February 2024, Ms. Jiang Xin served as a director of Beijing Urban Construction New Material Co., Ltd.* (北京城建新材料有限公司), a subsidiary of BUCG. From July 1998 to July 2020, Ms. Jiang Xin served successively as an operation member, a publicity member, the director of the office of the managers, and a secretary to the board of the company and deputy general manager of Beijing Urban Construction Road & Bridge Group Co., Ltd.* (北京城建道橋建設集團有限公司).

Ms. Jiang graduated from Lanzhou University in June 1998 with a bachelor's degree in economics majoring in national economic management and graduated from the Chinese University of Hong Kong in June 2014 with a degree of MBA majoring in Business Administration. In November 2008, Ms. Jiang Xin was awarded the qualification of senior economist specialising in business administration 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).

Mr. Mao Lei (毛磊), aged 46, is a non-executive Director of the Company. He is responsible for providing advice on the strategic development, system formulation and major operational decisions of the Group. Mr. Mao joined the Company when the Company was incorporated in December 2020 and served in his current position. Currently, Mr. Mao also serves as a 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. He has been serving as a director of Beijing Urban Construction (Hainan) Real Estate Co., Ltd.* (北京城建(海南)地產有限公司), a subsidiary of BUCID, since 29 June 2023, a director of Beijing Urban Construction Xingyun Real Estate Co., Ltd. (北京城建興雲房地產有限公司), Beijing Urban Construction Xingshun Real Estate Development Co., Ltd. (北京城建興順房地產開發有限公司) and Beijing Urban Construction Xinghe Real Estate Development Co., Ltd. (北京城建興合房地產開發有限公司), all being subsidiaries of BUCID, since January 2024, a director of Beijing Urban Construction Xincheng Investment Development Co., Ltd. (北京城建新城投資開發有限公司), a subsidiary of BUCID, since 4 March 2024, and a director of Beijing Urban Construction Huangshan Investment Development Co., Ltd. (北京城建黃山投資發展有限公司), a subsidiary of BUCID, since 20 December 2024. He was a director of Beijing Urban Construction Xingtong Real Estate Co., Ltd. (北京城建興通置業有限公司), a subsidiary of BUCID, between March 2024 and May 2024.

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. Li Zuoyang (李作揚), aged 57, is a non-executive Director of the Company. He is responsible for providing advice on the strategic development, system formulation and major operational decisions of the Group. Mr. Li joined the Company in May 2024 and served in his current position. Currently, Mr. Li also serves as a member of the Risk and Compliance Management Committee of the Company.

Prior to joining the Company, Mr. Li successively served as an employee and manager of First Development Company, a real estate arm of Beijing Uni.-Construction* (北京住總房地產開發部第一開發公司), from July 1990 to December 1997. From December 1997 to December 2001, he successively served as a project manager of the small structure at real estate development department of Beijing Housing Development and Construction Group Corporation* (北京住宅開發建設集團總公司), the general manager of Dalian Binhai Building of Beijing Uni.-Construction* (北京住總大連濱海大廈), and the assistant manager of the development department and project manager of the Qianhe Garden Project* (千鶴家園項目) of BUCC. From December 2001 to December 2004, he served as the assistant manager of the Beijing Uni.-Construction Develop Company* (北京住總開發公司) and the secretary of the party branch at a subsidiary of Beijing Uni.-Construction. From December 2004 to January 2016, he served as a deputy secretary to the party committee, secretary to the party committee, secretary of the discipline inspection committee and deputy general manager of Beijing Uni.-Construction Real Estate Development Co., Ltd.* (北京住總房地產開發有限責任公司). Since January 2016, he has been serving as secretary to the party committee and chairman of Beijing Uni.-Construction Real Estate Development Co., Ltd.* (北京住總房地產開發有限責任公司), as well as the secretary of the party branch of the urban renewal division of BUCC. Since December 2023, he has also been working as assistant general manager of BUCC.

Mr. Li obtained a bachelor's degree in economics from Beijing Economic College (北京經濟學院) in July 1990. In June 2005, he was granted the qualification of Intermediate Political Commissar (中級政工師) by the Committee of Communist Party of China of BUCC.

IV. Directors, Supervisors and Senior Management

Mr. Cheng Peng (程鵬), aged 50, 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 the chairman of the Remuneration and Evaluation Committee, members of the Nomination Committee and the Strategy and Investment and ESG Committee of the Company.

From July 1998 to July 2009, he worked as a lecturer and then a deputy professor at the college of management science and information engineering of Jilin University of Finance and Economics (吉林財經大學). From July 2009 to July 2011, he conducted post-doctoral research in management science and engineering at the graduate school of Chinese Academy of Sciences (中國科學院研究生院) (now known as University of Chinese Academy of Sciences (中國科學院大學)). Since July 2011, he has been the deputy professor and professor of the property management department of the school of economics and management of Beijing Forestry University (北京林業大學). He is currently a professor and doctoral supervisor of the department of property management of the school of economic management of Beijing Forestry University (北京林業大學), where he also serves as the head of the department.

Mr. Cheng obtained his bachelor's degree in economic information management from Jilin University of Finance and Economics (吉林財經大學) in July 1998. He obtained his master's degree in business administration from Jilin University (吉林大學) in June 2005. He obtained his doctor's degree in management science and engineering from Jilin University (吉林大學) in June 2009. Mr. Cheng has been 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. He has been the deputy secretary of the Chinese Association for Science of Science and S&T Policy (中國科學與科技政策研究會) since March 2018. He has been serving as a member of the Specialized Committee of Community Construction of the Science Technology Committee of Ministry of Housing and Urban-Rural Development (住房和城鄉建設部科學技術委員會社區建設專業委員會) since August 2020. Since February 2024, he has been a member of the National Technical Committee for Property Standardization (全國物業標準化技術委員會). He has been the vice chairman of the Specialized Committee of Human Resources of China Property Management Institute (中國物業管理協會人力資源專業委員會) since April 2025.

Since July 2020, Mr. Cheng has also been an independent non-executive director of 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.

IV. Directors, Supervisors and Senior Management

Mr. Kong Weiping (孔偉平), aged 55, 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 members of the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee and Risk and Compliance Management Committee of the Company.

Mr. Kong has served as 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; an external director of Beijing Gas Energy Development Co., Ltd. (北京燃氣能源發展有限公司), since April 2024; an external supervisor of Beijing Tongrentang Co.,Ltd. (北京同仁堂股份有限公司), a company listed on Shanghai Stock Exchange, stock code: 600085, since June 2021; an independent non-executive Director of Beijing Media Corporation Limited (北青傳媒股份有限公司), a company listed on the Hong Kong Stock Exchange, stock code: 01000, since June 2022; an independent non-executive director of Tianshan Material Co., Ltd.* (天山材料股份有限公司), a company listed on Shenzen Stock Exchange, stock code: 000877, since May 2024. Mr. Kong is currently a partner of Beijing Deheng Law Offices.

Prior to joining the 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; 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, from July 2017 to October 2022.

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 49, 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 affairs and corporate 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 the chairman of the audit committee of AK Medical Holdings Limited (stock code: 01789), and an independent non-executive director and the chairman of the audit committee of New Hope Service Holdings Limited (stock code: 03658). 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 ZACD Group Ltd. (stock code: 08313) from December 2017 to April 2024. 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 Sustainability Accounting Standards Board's (SASB) Fundamentals of Sustainability Accounting Credential Holder.

Aside from the above-mentioned ESG- and sustainability-related qualifications, in aspects of accounting, company secretarial affairs and corporate 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 Yueming (劉月明), aged 57, is the chairman of the Supervisory Committee and a shareholder representative supervisor of the Company. Mr. Liu joined the Company in May 2024 and served in his current position.

Prior to joining the Company, Mr. Liu served as a project technical leader at Beijing Urban Construction No.4 Construction Engineering Co., Ltd.* (北京城建四建設工程有限責任公司) from July 1989 to September 1993. From September 1993 to August 2001, he served as a technician of the New Dong'an Project (新東安項目) of BUCG, the director of the technical quality department at the Command Headquarters of the New Terminal Building Project at the Capital Airport (首都機場新航站樓工程指揮部), the chief engineer of four contract sections at the Panjin-Haikou Expressway Project (盤海高速公路工程四個合同段), and the project manager of section One at the Panjin-Haikou Expressway Project (盤海高速公路工程一合同段). From August 2001 to June 2006, he successively served as deputy chief engineer of the engineering contracting department of BUCG, chief engineer of Project Management Department of engineering department, chief engineer of the Chengjian Building Project Department (城建大廈項目部) of engineering department, deputy chief engineer of the Engineering Contracting Department and project manager of the Nanjing International Mall Project (南京國際商城項目), and manager of Jiangsu Branch, BUCG. From June 2006 to November 2008, he successively served as chief engineer and deputy manager of the No.3 engineering general contracting department (工程總承包三部), and manager of Jiangsu Branch at BUCG, and deputy manager of the party affairs department at the National Stadium Engineering General Contracting Department (國家體育場工程總承包部). From November 2008 to July 2010, he was deputy manager of the No.2 engineering general contracting department (工程總承包二部) of BUCG. and a director and manager of Beijing Urban Construction Rail Transit Construction Co., Ltd.* (北京城建軌道交通建設有限公司). From July 2010 to November 2023, he successively served as assistant manager and manager and deputy secretary to the party committee of the civil engineering general contracting department, and secretary to the party committee of the civil engineering general contracting department and deputy general manager of BUCG. Since November 2023, he has been serving as the assistant manager of BUCG.

Mr. Liu graduated from department of civil engineering of Zhengzhou Institute of Technology (鄭州工學院) in July 1989 with a bachelor's degree in industrial and civil construction and obtained a master's degree in business administration from Peking University's Guanghua School of Management (北京大學光華管理學院) in July 2013. He was awarded the qualification of professor level 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 May 2015.

IV. Directors, Supervisors and Senior Management

Mr. Hu Mingkai (扈明凱), aged 57, is a shareholder representative supervisor of the Company. Mr. Hu joined the Company in December 2023 and served in his current position.

Prior to joining the Company, Mr. Hu has served as the deputy general manager of Beijing Dongfang Kangtai Real Estate Development Management Co., Ltd.* (北京東方康泰房地產開發經營有限責任公司) and the chairman of Beijing Dongfang Ronghe Property Management Co., Ltd.* (北京東方容和物業管理有限責任公司) since July 2023. He successively served as the deputy general manager and the general manager of Beijing Daqianmen Investment Management Co., Ltd.* (北京大前門投資經營有限公司) from October 2021 to June 2023; served as the deputy general manager of Beijing Dongfang Ronghe Property Management Co., Ltd. from October 2020 to October 2021; served as the deputy general manager of Beijing DaDuShi Street Trade Development Co., Ltd.* (北京大都市街貿易發展有限公司) from July 2020 to October 2020; and served as the deputy general manager of Beijing Daqianmen Investment Management Co., Ltd. from December 2018 to July 2020. He served as the deputy general manager of Beijing Dongfang Culture and Business Operation Management Group Co., Ltd.* (北京東方文化商業運營管理集團有限公司) from August 2018 to December 2018; served as the deputy general manager of Beijing Dongfang Culture and Business Operation Management Group Co., Ltd. and concurrently the chairman of Beijing Dongfang Ronghe Property Management Co., Ltd. from December 2017 to August 2018. He served as the general manager of Beijing Guangchong Real Estate Development Co., Ltd.* (北京廣崇房地產綜合開發有限責任公司) and concurrently the deputy general manager of Beijing Shiyuan Urban Construction Comprehensive Development Company* (北京市世源城市建設綜合開發公司) from March 2017 to December 2017; worked in Beijing Shiyuan Urban Construction Comprehensive Development Company from August 2007 to March 2017 where he successively served as the deputy manager of the operation department, the manager and the deputy general manager of the property management department, and concurrently served as the manager of Beijing Sunshine Heating Station* (北京市陽光供熱站). He served as the deputy manager of the asset management department of Beijing Dongfang Kangtai Real Estate Development Management Co., Ltd. from December 2006 to August 2007; served as the deputy general manager of Beijing Dongfang Ronghe Property Management Co., Ltd. from December 2005 to December 2006; and served as the deputy general manager of Beijing Dongfang Chengye Property Management Co., Ltd.* (北京東方成業物業管理有限責任公司) from January 2004 to December 2005. He served as the deputy manager of the property department of Beijing Shiyuan Chengye Property Management Co., Ltd.* (北京世源成業物業管理有限公司) from August 2002 to December 2003; served as a customer service personnel and the deputy manager of the administration department of Beijing Haifeng Tianyuan Property Management Co., Ltd.* (北京海豐天源物業管理有限公司) from August 1999 to July 2002; served as the manager of the sales department of Beijing Wenjietong Mechanical and Electrical Supply Station* (北京文傑通機電供應站) from March 1996 to July 1999; and worked in the sales department of Beijing Machine Tool Accessories Factory* (北京機床附件廠) from December 1985 to March 1996.

Mr. Hu Mingkai graduated from the adult education school of the Party School of the Beijing Municipal Committee of CPC* (中共北京市委黨校成人教育學院) with a bachelor's degree in computer information management in July 2007.

Ms. Yang Jie (楊傑), aged 32, is an employee representative supervisor, the Secretary of the Youth League Committee and the Director of Female Workers' Committee of the Company. She has served as the Secretary of the Youth League Committee and the Director of Female Workers' Committee of the Company since September 2021 when she joined the Company and has served as an employee representative supervisor of the Company since May 2024.

Prior to joining the Company, Ms. Yang worked as the Director of the Female Workers' Committee at the Party-Mass Work Department at Beijing Uni.-Construction Vanke Industrial Technology Co., Ltd.* (北京住總萬科建築工業化科技股份有限公司) from June 2019 to September 2021, and as a cadre in the Party-Mass Work Department from July 2017 to June 2019 at the same company.

Ms. Yang graduated from the Gengdan Institute of Beijing University of Technology in 2017 with a bachelor's degree in public service administration. In August 2019, she obtained the title of Assistant to Political Commissar* (助理政工師).

SENIOR MANAGEMENT

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

Mr. Yao Xin (姚昕), aged 48, is a deputy general manager of the Company. He is responsible for the operation and safety of the Company. Mr. Yao joined the Company in December 2020 when the Company was incorporated. Mr. Yao ceased to serve as an executive Director of the Company with effect from 22 May 2024.

Mr. Yao served as the secretary to the party committee of Beijing Uni.-Construction Beiyu Property Service Co., Ltd., a subsidiary of the 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 the 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.

Ms. Xu Yan (徐艷), aged 48, is the deputy general manager of the Company. Ms. Xu joined the Company on 8 August 2022 and served in her current position.

Prior to joining the Company, Ms. Xu served as a teacher at the Beijing Administration for Industry and Commerce School (北京市工商行政管理學校) from 1998 to 2001; served as a project manager of CCPIT Beijing and Beijing International Economics and Technology Co., Ltd. (北京國際經濟技術公司) from March 2001 to March 2005; served as a class I clerk of the real estate operation department of BUCG from March 2005 to January 2007; served as the director of the operation department of Beijing Urban Construction Group Land Co., Ltd. (北京城建置地公司) from January 2007 to July 2010; served as the deputy manager of Beijing Evergreen International Senior Apartment Co., Ltd. (北京長青國際老年公寓有限公司) from July 2010 to June 2013; served as the deputy manager of the investment and property division of BUCG from June 2013 to August 2016; served as the deputy general manager of Beijing Urban Construction Group Properties Co., Ltd.* and the general manager of Beijing Evergreen International Senior Apartment Co., Ltd. from August 2016 to August 2021; served as the chairman of Beijing Urban Construction Group Properties Co., Ltd.* and the general manager of Beijing Evergreen International Senior Apartment Co., Ltd. (enjoying the head-level treatment (正處級待遇)) since August 2021; and served as an executive director of Beijing Universities Logistics Services Co., Ltd. (北京高校後勤服務有限公司) since May 2024.

Ms. Xu graduated from the Economics and Trade Department, Beijing Technology and Business University with a major in trade economics and received a bachelor's degree in economics in July 1998. She studied in Regional Economics, School of Economics, Renmin University of China from June 2009 to June 2011. Ms. Xu was awarded the qualification of senior economist specialising in business administration 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 June 2013.

Mr. Chen Shuang (陳爽), aged 48, is the deputy general manager, secretary of the Board and joint company secretary of the Company. Mr. Chen joined the Company on 8 August 2022 and has served as the deputy general manager and secretary of the Board since then. He has served as the joint company secretary since 15 March 2023.

Prior to joining the Company, Mr. Chen successively served as the secretary of the Youth League Committee; the secretary and the deputy director of the general manager's office; the secretary of the party branch, the deputy manager and the manager of the commercial real estate division (商業地產事業部); the assistant manager of BUCID from February 2000 to March 2022, primarily responsible for the planning, leasing and operation of the commercial real estate, the daily affairs management of the office, the drafting of comprehensive written materials and the preparation of relevant conferences; served as the secretary of the party branch and the deputy manager of Beijing Urban Construction Chengdu Company (北京城建成都公司) from March 2010 to August 2012, responsible for the Party building, the preparation of conferences of the Board, and the marketing planning and the property management for Chengdu Longyuewan (成都龍樾灣) project; served as the Director and the general manager of Beijing Chengjian Xinghe Real Estate Development Co., Ltd. (北京城建興合房地產開發有限公司), and the Director of Beijing Juntai Real Estate Co., Ltd. (北京駿泰置業有限公司) from November 2017 to March 2022, responsible for the planning, leasing and operation of the commercial real estate; and served as assistant to the general manager of BUCID from March 2022 to August 2022, assisting leaders of the Company to take charge of customer relationship management and administrative security management.

Mr. Chen graduated from School of Economics in Renmin University of China with a bachelor's degree in economics in July 1998; and graduated from Business School of Renmin University of China with a master's degree in business administration in July 2004. Mr. Chen was awarded the qualification of senior economist by Beijing Municipal Human Resources and Social Security Bureau in October 2009.

Ms. Li Peng (李鵬), aged 51, is the chief accountant of the Company. Ms. Li joined the Company in December 2020 when the Company was incorporated and served in her current position.

Ms. Li has served as a director and chief accountant in Beijing Urban Construction Group Properties Co., Ltd.* (北京城建置業有限公司), a subsidiary of the 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 52, has served as the general counsel of the Company since February 2021.

Prior to joining the 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; was issued the qualification of corporate legal counsel issued by the Ministry of Human Resources and Social Security of Beijing (北京市人力資源和社會保障部) in October 2012; and was awarded the qualification of senior economist by the Ministry of Human Resources and Social Security of Beijing in November 2022.

JOINT COMPANY SECRETARIES

Mr. Chen Shuang (陳爽), has served as the joint company secretary of the Company since 15 March 2023, please refer to "Senior Management" above for his biographical details.

Ms. Leung Wing Han Sharon (梁穎嫻), has served as the joint company secretary of the Company since 25 September 2024. Ms. Leung is a director of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Leung is a Chartered Secretary, a Chartered Governance Professional, a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, as well as a member of The Hong Kong Institute of Certified Public Accountants. She has over 18 years of experience in company secretarial practice.

V. Corporate Governance Report

The Board hereby presents this corporate governance report for the Reporting Period.

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 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 Hong Kong Stock Exchange (the "**Listing Rules**") through this governance structure.

The Company has adopted the code provisions (the "**Code Provision**") in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as its code of corporate governance. The major amendments to the CG Code include: alignment of the Company's culture with its purpose, values and strategy, establishment of anti-corruption and whistleblowing policies, Board independence and its diversity, communication with Shareholders, and the simultaneous publication of environmental, social and governance reports and the annual report, etc. To strengthen and enhance the highest level of corporate governance practices and conduct, the Company has adopted and complied with all applicable Code Provisions in the CG Code during the year.

CORPORATE CULTURE AND STRATEGIES

A healthy corporate culture is vital for the Group to achieve its vision and strategies. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it. As a Group with diversified businesses, we are aware of the importance of our stakeholders to the Board and the Group as a whole, and are committed to providing high quality and reliable products and services, and creating value for stakeholders through sustainable growth and continuous development.

The Group adheres to the corporate purpose of "Business flourishes with trustworthiness at its core, advancing the will-being of the Society", takes "Cultural guidance, Social responsibility and Quality improvement" as the direction, carries forward the core values of the enterprise, gathers positive energy, creates a united and enterprising atmosphere, constantly improves the cultural system, innovates the carrier of activities, and enhances the popularity and reputation of the Company.

V. Corporate Governance Report

The Board of Directors has set out the following values to provide guidance on employees' conduct and behaviors as well as the business activities, and to ensure these values are integrated into the Company's vision, philosophy, policy and corporate style.

Corporate Vision	:	Stronger enterprise for happier employees
Value Philosophy	:	Innovation, passion, integrity, responsibility, gratitude
Corporate Spirit	:	Working hard as one, seeking innovation-driven development through a realistic approach, pursuing excellence
Corporate Purpose	:	Business flourishes with trustworthiness at its core, advancing the will-being of the society
Corporate Style	:	Solidarity & hardworking, strict enforcement of orders and prohibitions, rigorous & practical-mindset, tenacious struggle

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 C3 to the Listing Rules as a code of conduct for securities transactions by the Directors and supervisors (the "**Supervisors**") of the Company.

The Company has made specific enquiries to all Directors and Supervisors and they have confirmed that they had complied with the Model Code for the year ended 31 December 2024.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises nine Directors, with three executive Directors, three non-executive Directors, and three independent non-executive Directors. During the year ended 31 December 2024 and up to the date of this report, the details of the composition of the Board are as follows:

Executive Directors

Mr. Zhang Weize *(Chairman)*
Mr. Yang Jun
Mr. Luo Zhou
Mr. Yao Xin *(resigned on 22 May 2024)*

Non-executive Directors

Ms. Jiang Xin
Mr. Mao Lei
Mr. Li Zuoyang *(appointed on 22 May 2024)*

Independent Non-executive Directors

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

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

CHAIRMAN AND GENERAL MANAGER

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate 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 2024, 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.

BOARD AUTHORIZATION

The management consisting of executive Directors and senior management is authorized to implement the strategies and guidelines approved by the Board from time to time and is responsible for the day-to-day management and operations of the Group. The executive Directors and senior management meet regularly to review the performance of the Company's overall business, coordinate overall resources, and make financial and operating decisions. The Board also gives clear instructions on its management powers (including circumstances where the management should report to it) and will regularly review the authorization arrangements to ensure that they are suitable for the needs of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company is committed to establishing an effective Board with members who have the appropriate competencies for the scale, complexity and strategic positioning of our business. In view of this, the independent non-executive Directors play an essential role in the Board through their independent professional judgment, and their views play an important role in the decisions of the Board.

Independent non-executive Directors have extensive experience in diverse fields and possess the requisite upright character, integrity and business insight for the proper discharge of their duties as independent non-executive Directors. In pursuit of the Group's objectives and business endeavors, by offering independent and constructive advice, they provide valuable contributions and insights to the Board and instill integrity into every aspect of our business which is also aligned to our values. Their wealth of knowledge, experience, skills and expertise are crucial to the Board's decisions. They have given the Board and the committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through active participation.

During the Reporting Period, 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).

INDEPENDENCE OF THE BOARD OF DIRECTORS

The Company believes that the independence of the Board is essential to good corporate governance and the effectiveness of the Board. The Board has established mechanisms to ensure that the independent views of any Director can be communicated to the Board to enhance the objectivity and effectiveness of decision-making.

The Board has a strong element of independence, providing independent and objective oversight on strategic and performance issues. The Board currently consists of independent non-executive Directors which account for more than one-third of the Board, and the Audit Committee and the Remuneration and Evaluation Committee of the Company are both chaired by independent non-executive Directors.

The Company has received an annual written confirmation from each independent non-executive Director in respect of his independence pursuant to Rule 3.13 of the Listing Rules. The Board and the Nomination Committee have assessed the independence of all the independent non-executive Directors and considered them to be independent persons as defined in the Listing Rules. In addition, up to the date of this report, the Board is not aware of any event that would impair the independence of any independent non-executive Director.

The Directors are required to declare their direct or indirect interests, if any, in proposals or transactions considered at the Board meetings and abstain from voting, if applicable. All Directors, including independent non-executive Directors, may obtain external independent professional advice if deemed necessary. Independent non-executive Directors have demonstrated professional competence and commitment and have devoted sufficient time to the perform their duties in the Board. The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views publicly and, if required, confidentially.

The Company has reviewed the implementation of the mechanism relating to the independence of the Board and considers it to be effective during the Reporting Period.

THE APPOINTMENT OF DIRECTORS

Governance principle B.2 of the CG 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.

The term of office of each Director (including non-executive Directors and independent non-executive Directors) shall be three years or until the expiration of the term of the second session of the Board of Directors (22 May 2027). 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.

The terms of the first session of the Board and the Supervisory Committee of the Company expired on 21 December 2023. At the 2023 annual general meeting of the Company held on 22 May 2024, shareholders elected the members of the second session of the Board and the Supervisory Committee, whose tenure shall be three years with effect from 22 May 2024 until the expiration of the term of the second session of the Board and the Supervisory Committee. Please refer to the circular of the Company dated 30 April 2024 and the announcement of the Company dated 22 May 2024 for details.

NOMINATION POLICY

The Nomination Committee adopts a variety of methods to review the qualification of candidates for Directors, including recommendations from Board members, the management and professional intermediaries. In addition, the Nomination Committee will consider Director candidates appropriately submitted by Shareholders. The evaluation of the Nomination Committee on Director candidates may include, but is not limited to, review of resumes and work experience, personal interviews, verification of professional and personal recommendation letters, and performing background checks. 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 Board will consider the recommendations of the Nomination Committee and be responsible for designating candidates for Directors to be elected by Shareholders at the Company's general meeting, or appointing suitable candidates to serve as Directors to fill Board vacancies or as supplements to Board members, and to comply with the Articles of Association. All Director appointments should be confirmed through a letter of appointment and/or service contract, which should state the main terms and conditions of Director appointment.

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, 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.

The criteria for the selection of the Company's Directors are as follows:

The Nomination Committee and the Board of Directors shall consider the following criteria in evaluating and selecting candidates for Directors:

(a) Character and integrity;

(b) Qualifications, including professional qualifications, skills, knowledge and experience relevant to the Company's business and corporate strategy;

(c) Willingness to devote sufficient time to fulfill the duties of a member of the Board of Directors, as well as other duties that need to be performed as Directors and significant commitments;

(d) Number of current directorships held by the candidate and other responsibilities that may require their attention;

(e) The requirement under the Listing Rules that the Board must include independent non-executive directors and whether a candidate is considered to be independent under the independence guidelines set out in the Listing Rules;

(f) The Company's board diversity policy ("**Board Diversity Policy**") and any measurable objectives adopted by the Nomination Committee to achieve diversity on the Board; and

(g) Other aspects appropriate to the Company's business.

The Nomination Committee and the Board will regularly review the director nomination policy of the Company ("**Director Nomination Policy**") to ensure its effectiveness. During the Reporting Period, the Nomination Committee nominated candidates to the Board for election as directors of the second session of the Board in accordance with the Director Nomination Policy.

BOARD DIVERSITY POLICY

The Company has adopted the Board Diversity Policy. The Board Diversity Policy provides that the Company should endeavor to ensure that the 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 has designed the composition of the Board in such a way that the diversity of Board members has been considered from various perspectives, including but not limited to gender, age, cultural background and educational background, professional experience and qualifications, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and experience to enable the Board to effectively discharge its responsibilities, support good decision-making on the Group's core business and strategy and succession planning and development of the Board. For achieving an optimal Board, additional measurable objectives and specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. All Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The selection of Director candidates will be made in accordance with the Director Nomination Policy, taking into account the Board Diversity Policy. The final decision will be based on the strengths of the candidates and contributions they can make to the Board, having due regard to the benefits of diversity on the Board and the needs of the Board without focusing on a single dimension of diversity.

The Board will take the opportunity to gradually increase the proportion of female directors during the identification and election of suitable directors. The Board will ensure that appropriate balance of gender diversity of Board members, taking into account stakeholder expectations and international and local recommended best practices, with the ultimate goal of moving the Board towards gender parity. The Board also expects an appropriate proportion of directors with direct experience in the Group's core markets that reflect the Group's strategy.

Monitoring and Review

The Nomination Committee is delegated with overall responsibility for implementing, monitoring and regularly reviewing the Board Diversity Policy. In evaluating potential candidates to join the Board, the Nomination Committee will consider the diversity factors set forth above. As of the date of this annual report, the Board consists of nine Directors. The following table presents a tabular analysis of the current diversity of the Board composition based on measurable objectives as of the date of this annual report:

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
Non-executive Directors	
Ms. Jiang Xin (蔣鑫)	Corporate governance, strategic planning, economic activity analysis
Mr. Mao Lei (毛磊)	Corporate governance, strategic planning, internal control construction
Mr. Li Zuoyang (李作揚)	Corporate governance, strategic planning
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	46-50	51-55	56-60
Directors	4	3	2
Mr. Zhang Weize (張偉澤)		√	
Mr. Yang Jun (楊軍)			√
Mr. Luo Zhou (羅周)		√	
Ms. Jiang Xin (蔣鑫)	√		
Mr. Mao Lei (毛磊)	√		
Mr. Li Zuoyang (李作揚)			√
Mr. Cheng Peng (程鵬)	√		
Mr. Kong Weiping (孔偉平)		√	
Mr. Kong Chi Mo (江智武)	√		

Gender

Gender Group	Male	Female
Number of Directors	8	1
Percentage	88.89%	11.11%

The Board members 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 45 to 60 years old. One of the Company's non-executive Directors, namely Ms. Jiang Xin, one of the Company's Supervisors, namely Ms. Yang Jie, the Company's members of the senior management, namely Ms. Xu Yan, Ms. Li Peng and Ms. Ma Suyan, and one of the Company's joint company secretaries, namely Ms. Leung Wing Han Sharon, 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 the Board in managing the Company. Considering the significance of gender diversity, the Nomination Committee will continuously endeavor to identify suitable female Director candidates through internal promotion, referrals, engaging employment agencies or other reasonable means, and make recommendations to the Board for consideration in order to build a pipeline of potential director successors that can achieve gender diversity.

At the same time, the Company has adopted the following measurable objectives:

- At least one independent non-executive Director is ordinarily resident in Hong Kong;
- At least one independent non-executive Director has experience as a financial officer of a large enterprise or is an expert in corporate finance and accounting;
- The number of independent non-executive Directors shall not be less than one-third of the Board of Directors, and the number of independent non-executive Directors and external non-executive Directors shall exceed half of the Board of Directors;
- The professional background and work experience of the members should be closely related to the business development of the Company. Directors understand the industry in which the Company operates, and have professional knowledge or relevant experience in infrastructure construction, property management, business management, accounting, economics, law, finance, etc., and most of the Directors have decision-making experience in business operation and management of large enterprises.

For the year ended 31 December 2024, the Company has achieved the above measurable objectives.

For the gender ratio of all employees and senior management of the Company, please refer to the section "V. Corporate Governance Report – Employee Diversity" in this annual report.

The Nomination Committee and the Board will review the Board Diversity Policy on an annual basis to ensure that it meets the needs of the Company and reflects regulatory requirements and good corporate governance practices. For the year ended 31 December 2024, the Nomination Committee and the Board are of the opinion that the Board Diversity Policy of the Company was effectively implemented during this year and that the current Board has a balanced and diverse (including gender diversity) composition.

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 clearly stipulate their functions and powers in specific written terms. The working rules of each of the special committees of the Board have been published on the website of the Company (www.bcjps.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Audit Committee

After the election of members of the second session of the Board at the 2023 annual general meeting of the Company held on 22 May 2024, the Company convened a Board meeting to appoint the members of the Audit Committee of the second session of the Board for a term of office consistent with that of the second session of the Board. The Audit Committee currently comprises three members, namely Mr. Kong Chi Mo (independent non-executive Director), Ms. Jiang Xin (non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Kong Chi Mo serves 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 the 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) Reviewing the Company's financial statements, interim and annual reports, and the auditor's opinion on the financial statements contained in the interim and annual reports;

(iv) Reviewing the 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 the Company and the external auditor, and supervising the relationship between them;

(v) Evaluating any proposed connected transactions and regularly reviewing the overall situation of the Company's connected transactions within the annual cap granted; and

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

For the year ended 31 December 2024, the Audit Committee held three meetings at which it studied and reviewed proposals such as the "2023 Annual Final Financial Report", "2023 Profit Distribution Plan", "Announcement of Annual Results for the year 2023 and 2023 Annual Report of the Company", "Interim Results Announcement for the Six Months Ended 30 June 2024 and 2024 Interim Report", and "Revision to the Management Measures for Internal Control Evaluation of Beijing Capital Jiaye Property Services Co., Limited", and recommended them to the Board for approval.

The Company Secretary prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

Remuneration and Evaluation Committee

After the election of members of the second session of the Board at the 2023 annual general meeting of the Company held on 22 May 2024, the Company convened a Board meeting to appoint the members of the Remuneration and Evaluation Committee of the second session of the Board for a term of office consistent with that of the second session of the Board. The Remuneration and Evaluation Committee currently comprises three Directors, namely Mr. Cheng Peng (independent non-executive Director), Ms. Jiang Xin (non-executive Director) and Mr. Kong Weiping (independent non-executive Director). Mr. Cheng Peng serves as the chairman of the Remuneration and Evaluation Committee.

The primary duties of the Remuneration and Evaluation Committee include:

(i) Advising the Board on the overall policy and structure concerning remuneration of the Directors and senior management of the 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 the Board on the remuneration of the non-executive Directors;

(iii) Formulating the administrative measures for evaluating the performance of the senior management of the 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) Studying the policies and plans for the salary, benefits and rewards and punishments of the Company, advising the Board on such aspect and supervising the implementation of such policies and plans;

(vi) Studying the equity incentive schemes of the Company and proposing recommendations, including review and/or approval the matters in respect of share schemes as referred to in Chapter 17 of the Listing Rules; and

(vii) Other matters as authorized by the Board or required by relevant laws and regulations.

For the year ended 31 December 2024, the Remuneration and Evaluation Committee held five meetings at which it studied and reviewed proposals such as "Emoluments of Directors and Senior Management in 2023", "the Share Appreciation Rights Incentive Scheme of the Company", "Performance Appraisal and Remuneration Plan of Management Members and Other Senior Managers in 2023", and "Appraisal of Results of Operations and Remuneration Plan of Heads of Affiliated Units in 2023", and recommended them to the Board for approval.

The Remuneration and Evaluation Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

Nomination Committee

After the election of members of the second session of the Board at the 2023 annual general meeting of the Company held on 22 May 2024, the Company convened a Board meeting to appoint the members of the Nomination Committee of the second session of the Board for a term of office consistent with that of the second session of the Board. The Nomination Committee currently comprises 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 serves 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 the Company, and submitting them to the Board for deliberation;

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

(iii) Identifying the individuals qualified to serve as the Directors, and reviewing and advising on the candidates for the Directors, the general manager, the secretary of the 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 the Board or required by relevant laws and regulations.

For the year ended 31 December 2024, the Nomination Committee had held three meetings at which it studied and reviewed proposals such as "Change of the Company's Joint Company Secretary" and "Work Report by the Nomination Committee of the Board of Directors of the Company in 2023" of the Company, and recommended them to the Board for approval.

The Nomination Committee also reviewed the structure, size and composition of the Board; reviewed the Director Nomination Policy; and assessed the independence of independent non-executive Directors, Board Diversity Policy, etc.

The Nomination Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

Strategy and Investment and ESG Committee

After the election of members of the second session of the Board at the 2023 annual general meeting of the Company held on 22 May 2024, the Company convened a Board meeting to appoint the members of the Strategy and Investment and ESG Committee of the second session of the Board for a term of office consistent with that of the second session of the Board. The Strategy and Investment and ESG Committee currently 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. Cheng Peng (independent non-executive Director). Mr. Zhang Weize serves as the 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 schemes which require the approval of the Board as stipulated in the Articles of Association;

(iii) Conducting research and making recommendations on the major capital operation and asset management projects which require the approval of the Board as stipulated in the Articles of Association;

(iv) Conducting research and making recommendations on other major matters affecting 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) report;

(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.

For the year ended 31 December 2024, the Strategy and Investment and ESG Committee held one meeting at which it studied and reviewed proposals such as the "2024 Production and Operation Plan of the Company", "2023 Environmental, Social and Governance (ESG) Report" and "2023 Work Report of the Strategy and Investment and ESG Committee of the Board", and recommended them to the Board for approval.

The Strategy and Investment and ESG Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

Risk and Compliance Management Committee

After the election of members of the second session of the Board at the 2023 annual general meeting of the Company held on 22 May 2024, the Company convened a Board meeting to appoint the members of the Risk and Compliance Management Committee of the second session of the Board for a term of office consistent with that of the second session of the Board. The Risk and Compliance Management Committee currently comprises five Directors, namely Mr. Yang Jun (executive Director), Mr. Zhang Weize (executive Director), Mr. Li Zuoyang (non-executive Director), Ms. Jiang Xin (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 conduct special research and give 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, 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 system integration of risk, internal control and compliance management; and

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

For the year ended 31 December 2024, the Risk and Compliance Management Committee held one meeting at which it studied and reviewed proposals such as the “2023 Risk Management Work Report” and “2023 Work Report of the Risk and Compliance Management Committee of the Board”, and submitted them to the Board for review and approval.

The Risk and Compliance Management Committee regularly reviewed the effectiveness of the Company’s risk management and internal control systems at least once a year. Through the summary and evaluation of the results of various internal control work of the Company, the Company confirmed that the implementation of the management on the Company’s various risk management work and the internal control system was effective and operated orderly.

The Risk and Compliance Management Committee prepared minutes for each meeting, which were signed by the members for confirmation after the meeting. The minutes of the meeting are then archived and retained in accordance with the applicable regulations.

GENERAL MEETINGS, BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The general meeting is the highest authority of the Company. It provides an opportunity for direct communication and the establishment of a sound relationship between the Shareholders and the Board and senior management of the Company. The Company attaches great importance to the general meeting. For the year ended 31 December 2024, the Company held a total of three general meetings, including one AGM and two class meetings, namely the 2023 AGM of the Company, the 2024 first domestic shares class meeting and the 2024 first H shares class meeting which were held on 22 May 2024. A total of 13 proposals (including sub-proposals) were considered and approved at the above three general meetings. 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 CG 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 period).

For the year ended 31 December 2024, the Board of Directors convened eight meetings at which it considered and approved a total of 58 resolutions.

The following table sets out the attendance of each of the Directors at the meetings of the Board, the special committees under the Board and general meetings for the year ended 31 December 2024:

	Number of attendance/Number of meetings held						
Name of Director	Board	Audit Committee	Nomination Committee	Remuneration and Evaluation Committee	Strategy and Investment and ESG Committee	Risk and Compliance Management Committee	General Meeting
Mr. Zhang Weize (張偉澤)	8/8	N/A	3/3	N/A	1/1	1/1	3/3
Mr. Yang Jun (楊軍)	8/8	N/A	N/A	N/A	1/1	1/1	3/3
Mr. Luo Zhou (羅周)	8/8	N/A	N/A	N/A	1/1	N/A	3/3
Mr. Yao Xin (姚昕)*(Note 1)*	2/2	N/A	N/A	N/A	N/A	1/1	1/1
Ms. Jiang Xin (蔣鑫)	8/8	3/3	N/A	5/5	N/A	1/1	3/3
Mr. Mao Lei (毛磊)	8/8	N/A	N/A	N/A	1/1	N/A	3/3
Mr. Li Zuoyang (李作揚)*(Note 2)*	6/6	N/A	N/A	N/A	N/A	0/0	2/2
Mr. Cheng Peng (程鵬)	8/8	N/A	3/3	5/5	1/1	N/A	3/3
Mr. Kong Weiping (孔偉平)	8/8	3/3	3/3	5/5	N/A	1/1	3/3
Mr. Kong Chi Mo (江智武)	8/8	3/3	N/A	N/A	N/A	N/A	3/3

Notes:

1 Mr. Yao Xin resigned as an executive Director and a member of the Risk and Compliance Management Committee of the Board of the Company on 22 May 2024. Before the resignation of Mr. Yao Xin took effect, the Company held two Board meetings, one Risk and Compliance Management Committee meeting and one AGM.

2 Mr. Li Zuoyang was appointed as a non-executive Director and a member of the Risk and Compliance Management Committee of the Board of the Company on 22 May 2024. Since the appointment of Mr. Li Zuoyang took effect and up to 31 December 2024, the Company held six Board meetings, one domestic shares class meeting and one H shares class meeting; no Risk and Compliance Management Committee meeting was held.

DIRECTORS' TRAINING

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. 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 2024:

Directors	**Types of training** Note
Mr. Zhang Weize (張偉澤)	A, B
Mr. Yang Jun (楊軍)	A, B
Mr. Luo Zhou (羅周)	A, B
Mr. Yao Xin (姚昕) *(resigned on 22 May 2024)*	A, B
Ms. Jiang Xin (蔣鑫)	A, B
Mr. Mao Lei (毛磊)	A, B
Mr. Li Zuoyang (李作揚) *(appointed on 22 May 2024)*	A, B
Mr. Cheng Peng (程鵬)	A, B
Mr. Kong Weiping (孔偉平)	A, B
Mr. Kong Chi Mo (江智武)	A, B

Notes: 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.

REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration of the Directors and Supervisors and the respective remuneration of the five highest paid individuals for the year ended 31 December 2024 are set out in Notes 8 and 9 to the consolidated financial statements.

The remuneration level of the Company's senior management (excluding Directors) for the year ended 31 December 2024 is set out below:

Remuneration Level (RMB)	**Number of persons**
0-500,000	0
500,001-1,000,000	5

CORPORATE GOVERNANCE FUNCTION

For the year ended 31 December 2024 and up to the date of this report, the Board has performed the functions set out in Code Provision A.2.1 of the CG Code, and has developed and reviewed the issuer's policies and practices on corporate governance; 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 CG Code and disclosure in the Corporate Governance Report.

The Company has formulated and adopted the whistleblowing policies in accordance with Code Provision D.2.6 of the CG Code, and also formulated and adopted the policies that support anti-bribery and anti-graft practices in accordance with Code Provision D.2.7 of the CG Code.

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

The Board is of the view that effective risk management and internal control are integral and indispensable to the Group's achievement of long-term business growth and sustainable development. The purpose of establishing the risk management and internal control framework is to manage and reduce the Group's exposure to business risks to the extent acceptable, rather than to eliminate the risk of failure to achieve business objectives, and to be able to only provide reasonable but not absolute assurance against material misrepresentation or loss. 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.

Risk Management and Internal Control Arrangements

The Board guides the Group's comprehensive risk management works and is the ultimate decision-making body regarding the major risk matters arising from the comprehensive risk management. It is responsible for evaluating and determining the nature and level of risks that the Group is willing to accept for achieving its strategic objectives, and ensuring that the Group establishes and maintains suitable and effective risk management and internal control systems. It is accountable for the effectiveness of the Group's risk management. The Board instructs management of the Company to deploy risk management and internal control arrangements and management of the Company is responsible for the specific implementation of internal control.

Structure of the Group's Risk Management

In the risk, internal control, and compliance management of the Company, the Company's Committee under the Party Committee plays the role as leader to take full responsibility for leading and coordinating the strengthening of risk control management. The Board of Directors is the highest decision-making body for risk control, and their decisions on risk management are made with the assistance of the Risk and Compliance Management Committee and the Audit Committee of the Board from the perspectives of supervision and evaluation at all stages from start to finish, respectively. The general manager and the management under his/her leadership are responsible for formulating risk countermeasures and implementing various risk control measures in the course of operations. They are accountable to the Board of Directors for the effectiveness of risk control management.

The Company has built three lines of defence for risk prevention and control based on functional departments and business units as follows:

First line of defence: It is formed by all departments, business divisions and subsidiary entities (i.e., business lines) of the Company. Under the principles of "managing the business through risk management", "managing the business through internal control" and "managing the business through compliance management", this line of defence is responsible for enforcing specific requirements for internal control and compliance management, identifying and assessing risk exposures of entities in daily business operations, and implementing effective risk countermeasures.

Second line of defence: It is formed by all functional departments (including the legal and compliance department) of the Company. Based on their respective terms of reference and expertise, the departments collectively play the empowering role as the second line of defence by performing internal control and compliance audits, business guidance to affiliated units and other risk management tasks.

Third line of defence: The auditing department, which was newly established in 2024, is responsible for evaluating the system of the Company, which has further strengthened the supervisory evaluation for the risk management systems of the Company and its subsidiary entities, and formed a closed loop of risk management. In 2024, the Company also established the discipline inspection department responsible for disciplinary inspection and supervision of the Company. It supervises the compliance of activities of the internal Party members and Party officials within the Company in their daily lives, at work and in other aspects, which can bring practical effects of greatly strengthening the compliance management of key personnel and reducing compliance risks of the Company.

Risk Management Procedures

The overall objectives of the Company's risk management are to strive to keep the risk within the range that is tolerable and compatible with the overall business development goals of the Company, ensure that treatments are in place when there exists major risk incidents, protect the Company from incurring heavy losses due to major operational risks or human errors, and facilitate the realisation of the Company's strategic goals.

In reference to their respective responsibilities for risk management, all departments and units of the Company collect risk information, identify, assess and respond to risks and carry out other tasks in accordance with the basic risk management procedures provided in the "Risk Management Measures" and the accompanying "Risk Information Collection and Risk Assessment Operation Manual"; decompose the development goals and strategies of the Company for the determination of annual production, operation and management targets, track down risks in important operation activities and in key management and business processes of the Company, and identify risks affecting the achievement of targets.

Risk Management and Internal Control of the Company for the Year

On the basis of an established management system, with focus on the annual overall objectives, adopting internal control and compliance management as the main approach and working towards advancing the integration of internal control and compliance systems with business management, the Company implemented risk management measures in key aspects and major processes of daily operations and management to achieve major risk management targets.

Integrated operation of the internal control system with other management systems. The Company integrated the five systems for quality, environment, occupational health, information security and energy management with the internal control system that has reduced its administrative costs, improved its operational efficiency and strengthened its management effectiveness.

Solid progress in the prevention, management and control of operational risks. The Company regularly analysed the business operations, periodically analysed its economic activities and performed operational reviews, and evaluated its projects under management in terms of management scale, assets, main costs and revenue, to ensure non-deviation from its operational management goals, and maintain operational risks within controllable scope.

Continued strengthening of safety risk management. The Company convened a regular safety production meeting on a monthly basis, and fully implemented the safety production accountability system. Adequate efforts were made for flood control and snow sweeping and ice shoveling under extreme weathers to avoid safety incidents and ensure smooth and systemic safety operation.

Enhanced budget management and control of cost risks. The Company strengthened the leading role of comprehensive budget management and control striving to achieve the goals of "increasing revenue, controlling costs, reducing expenses, boosting cash and optimising investments".

Strengthening of risk control measures using information technology. The Company developed an integrated business-finance system to incorporate the business processes involving routine inspections and risk control in key aspects of the whole scope of business into the information technology system, thereby improving the overall management efficiency and reducing management risks.

Review of Risk Management and Internal Control

The Board is responsible for the risk management and internal control systems and confirms to review the effectiveness of the risk management and internal control at least once a year. Through the summary and evaluation of the results of various internal control work of the Company, it is confirmed that the management has effectively and orderly implemented the various risk management and internal control systems of the Company.

For the year ended 31 December 2024, the Board reviewed (among other things): (i) whether the resources for the Group's accounting, internal audit and financial reporting functions were sufficient, whether the qualifications and experience of staff were matched, and whether the training courses and related budgets were enough; (ii) scope and quality of risk management, internal control system and their internal audit function works; (iii) whether the risk management and internal control systems were sound and effective; and (iv) whether the regulations and main business processes of the Group met the requirements of operation management and the needs of the rapid development of the Company.

In addition, the Board and Audit Committee continuously supervised the Group's risk management and internal control systems, identified the deficiencies in the design and operation of internal controls and recommended appropriate improvements.

The Board has also fully assessed the timeliness, effectiveness and standardisation of the procedures for handling and releasing of the various inside information, connected transactions and other material matters of the Group, as well as the effectiveness of the Company's financial reporting and Listing Rules compliance procedures.

Through above review of the internal control, the Board considered that the Group's risk management and internal control systems were effective and adequate and that the overall risk level was within the Group's acceptable range. The Group also will further improve the risk management and internal control measures, constantly optimize the operation and management environment, ensure the efficient and compliance of operation of the Company, ensure the safety and reliability of the Company's capital and assets, strengthen the construction of the compliance risk control system, and promote the realisation of the Company's development strategy.

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 Hong Kong 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 2024, 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 an ongoing 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 2024, the Company's total amount of remuneration paid to the external auditor of the Company, KPMG, was RMB3.09 million for 2024.

The detailed analysis of the remuneration paid to auditor for audit and non-audit services during the year is as follows:

	Amount RMB million
Types of services provided by auditor	
—2024 Interim Financial Report Review Service	0.75
—2024 Annual Financial Statements Audit Service	2.33
—Hong Kong Profits Tax Return Filing Service	0.01
Total	3.09

JOINT COMPANY SECRETARIES

Ms. Mok Ming Wai (head of listed company corporate services of Tricor Services Limited, an external service provider) has ceased to act as the joint company secretary with effect from 25 September 2024. Ms. Leung Wing Han Sharon (a director of Company Secretarial Services of Tricor Services Limited, an external service provider) has been appointed as the joint company secretary with effect from 25 September 2024.

Mr. Chen Shuang (deputy general manager and secretary to the Board of the Company) has been appointed as a joint company secretary of the Company since 15 March 2023.

Mr. Chen Shuang has been designated as the primary contact person of the Company to cooperate and communicate with Ms. Leung Wing Han Sharon on corporate governance matters of the Company.

Mr. Chen Shuang, Ms. Mok Ming Wai and Ms. Leung Wing Han Sharon have confirmed that they have received relevant professional training of not less than 15 hours in accordance with Rule 3.29 of the Listing Rules during the year ended 31 December 2024.

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 Hong Kong Stock Exchange upon the conclusion of each general meeting.

Convening of an Extraordinary General Meeting

Pursuant to Article 47 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 48 of the Articles of Association, when the Supervisory Committee or 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 related 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 50 of the Articles of Association, Shareholder(s) individually or jointly holding more than one per cent (1%) of the Company's shares may submit a written provisional motion to the convener ten (10) days before the convening of the shareholders' meeting. Such ad hoc proposals shall contain specific issues and specific resolutions. 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, unless such ad hoc proposals are in violation of the requirements under the laws, administrative regulations, the Listing Rules or the Articles of Association, or do not fall within the powers of the shareholders' meeting.

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: 11/F, Building B, 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 Shareholders 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 Shareholder Communication Policy on our website (www.bcjps.com), and has reviewed its implementation and effectiveness at least once a year.

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 Shareholder Communication Policy, the Shareholders may make enquiries 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.

For the year ended 31 December 2024, the Board has reviewed the implementation and effectiveness of the Shareholder Communication Policy and after taking into account the aforementioned communication channels of investors and the measures taken and the events held by the Company, the Company is of the view that the Shareholder Communication Policy has been effectively implemented in 2024.

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 2024, see final dividend in the "VI. Report of the Board".

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.

The following table sets out the gender ratio of the Group's employees (including the Board and senior management) for the year ended 31 December 2024:

	Female	**Male**
The Board	11.11%	88.99%
Employees (including senior management)	43.93%	56.07%

The Board's goal is to achieve and has achieved a minimum of 10% female Directors and a minimum of 40% female employees (including senior management) thereby fulfilling the gender diversity requirement.

The indicators on employees of the Group in 2024 are as follows:

Indicator	**At the end of 2024 (persons)**	**Percentage of total number of employees at the end of 2024**
Male employees	1,049	56.07%
Female employees	822	43.93%
Employees aged 30 and below	361	19.30%
Employees aged from 31 to 50	1,150	61.46%
Employees aged 51 and above	360	19.24%

As of 31 December 2024, the Group had a total of 1,871 employees, among them 822 were female employees (including senior management), representing approximately 43.93%. The Group considers the overall diversity (including gender diversity) of the Group to be balanced as a whole.

During the year, the Group placed great emphasis on strengthening the development of a cadre talent pipeline, by replenishing the talent pool of young professionals and organizing cadre talent training classes. It also intends to maintain a similar level of gender diversity of the overall workforce, and will continue to promote diversity through training programs, employee networks, fair employment and recruitment practices.

ARTICLES OF ASSOCIATION

During the year ended 31 December 2024, the Company amended the articles of association once, the particulars of the amendments are set out below:

In accordance with the latest amendments to the relevant PRC domestic laws and regulations and the Listing Rules and the actual operational needs of the Company, the Company made certain amendments to certain articles of the Articles of Association (the "**Amendments to the Articles of Association**"). The Amendments to the Articles of Association were considered and approved at the 2023 annual general meeting, the 2024 first H shares class meeting, and the 2024 first domestic shares class meeting of the Company convened on 22 May 2024, with effect from 22 May 2024. For details of the Amendments to the Articles of Association, please refer to the announcements of the Company dated 19 April 2024, 22 May 2024 and 27 June 2024, and the circular of the Company dated 30 April 2024.

The latest version of the Articles of Association is available on the Company's website (www.bcjps.com) and the website of the Hong Kong 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 2024.

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 the Hong Kong 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 2024 and the future business development of the Company are set out in the section headed "Management Discussion and Analysis" of this annual report.

The section headed "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 relevant parts of this section.

These discussions form part of the Report of the Board.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated statement of financial position of the Group as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the year then ended are set out on the consolidated financial statements on pages 86 to 92 of this annual report.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.1452 per share (tax inclusive) in cash for the year ended 31 December 2024 with a proposed dividend payout ratio equivalent to approximately 30%. The dividend proposal is subject to the approval of shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company to be held on Thursday, 22 May 2025 (the "**2024 AGM**"), and the proposed final dividend is expected to be paid on or before Thursday, 19 June 2025. 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 rates published by the People's Bank of China one calendar week prior to the date of declaration of proposed final dividend.

As of the date of this annual report, there is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

2024 AGM

The 2024 AGM will be held on Thursday, 22 May 2025. The notice of the 2024 AGM will be published on the Company's website (www.bcjps.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and despatched to the Shareholders (as and when necessary) 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 6 December 2024, 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). According to the Announcement of the State Administration of Taxation on the Issuance of the "Administrative Measures for Non-resident Taxpayers' Entitlement to Treaty Benefits" (State Administration of Taxation Announcement 2019, No. 35) (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》(國家稅務總局公告2019年第35號)), a non-resident enterprise is required to submit the materials in relation to the application of treaty benefits to tax authorities on its own or through a withholding agent (enterprise), to apply for a refund of the overpaid tax that meets the criteria for the entitlement to treaty benefits.

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 mainland, the PRC 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 preferential 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 for Non-resident Taxpayers' Entitlement to Treaty Benefits (State Administration of Taxation Announcement 2019, No. 35) (《非居民納税人享受協定待遇管理辦法》(國家税務總局公告2019年第35號)) 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.

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 implications.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Monday, 19 May 2025 to Thursday, 22 May 2025, 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 2024 AGM, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with 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 11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, the PRC (for holders of domestic shares) not later than 4:30 p.m. on Friday, 16 May 2025, for registration. Shareholders whose names appear on the register of members of the Company on Thursday, 22 May 2025 are entitled to attend and vote at the 2024 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 Wednesday, 28 May 2025 to Tuesday, 3 June 2025, 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 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 11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, the PRC (for holders of domestic shares) not later than 4:30 p.m. on Tuesday, 27 May 2025, for registration. Shareholders whose names appear on the register of members of the Company on Tuesday, 3 June 2025 are entitled to receive the above final dividend.

VI. Report of the Board

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 2024, details of the changes in share capital of the Company are set out in Note 26(b) to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures for the year ended 31 December 2024.

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 policy and performance will be disclosed in the Environmental, Social and Governance Report of the Group for the year ended 31 December 2024, which has been published at the same time as this annual report 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 2024, 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 2024 are set out in the "X. Consolidated Statement of Changes in Equity" of this annual report.

As at 31 December 2024, our aggregate amount of reserve available for distribution to equity Shareholders of the Company was approximately RMB506.3 million.

INVESTMENT PROPERTIES

As at 31 December 2024, the details of the Group's significant properties held for investment are set out in Note 11 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group for the year ended 31 December 2024 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 2024 are set out in Note 13 to the consolidated financial statements.

BORROWINGS

As at 31 December 2024, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

As at 31 December 2024, 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 2024 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 of the Company has waived or agreed to waive any remuneration for the year ended 31 December 2024.

The emoluments of the Directors and senior management of the Company 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% (2023: 20%) of the employees' basic salaries subject to certain ceiling as stipulated by the government for the year ended 31 December 2024. 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. 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 2024, the aggregate enterprise annuity expenses of the Company amounted to approximately RMB6.41 million (2023: RMB6.29 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 2024, 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 2024, 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 2024, the present value of the defined benefit obligations amounted to RMB66,359 thousand (31 December 2023: RMB68,684 thousand).

Details of the retirement benefit plan of the Group are set out in Note 23 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

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

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

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, the Company did not hold any treasury shares.

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 2024, no equity-linked agreement was entered into by the Group or still in effect.

DIRECTORS

For the year ended 31 December 2024 and up to the date of this report, the Directors of the Company include:

Name of Directors	Position
Mr. Zhang Weize (張偉澤) *(Chairman) (appointed on 22 December 2020)*	Executive Director
Mr. Yang Jun (楊軍) *(appointed on 22 December 2020)*	Executive Director
Mr. Luo Zhou (羅周) *(appointed on 22 December 2020)*	Executive Director
Mr. Yao Xin (姚昕) *(appointed on 22 December 2020 and resigned on 22 May 2024)*	Executive Director
Ms. Jiang Xin (蔣鑫) *(appointed on 28 October 2022)*	Non-executive Director
Mr. Mao Lei (毛磊) *(appointed on 22 December 2020)*	Non-executive Director
Mr. Li Zuoyang (李作揚) *(appointed on 22 May 2024)*	Non-executive Director
Mr. Cheng Peng (程鵬) *(appointed on 11 October 2021)*	Independent non-executive Director
Mr. Kong Weiping (孔偉平) *(appointed on 11 October 2021)*	Independent non-executive Director
Mr. Kong Chi Mo (江智武) *(appointed on 11 October 2021)*	Independent non-executive Director

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual written confirmation from each of the independent non-executive Director (namely Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo) in respect of his independence pursuant to Rule 3.13 of the Listing Rules, and therefore the Company is of the view that all such Directors are independent persons for the year ended 31 December 2024.

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 May 2027 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 May 2027. Save as disclosed above, as of 31 December 2024, 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).

Mr. Li Zuoyang has obtained legal advice specified in Rule 3.09D of the Listing Rules on 29 April 2024. Mr. Li Zuoyang has confirmed that he recognised his duties, responsibilities and obligations as a director of a listed issuer, and that he understood all the requirements applicable to him as a director under the Listing Rules and all other securities laws and regulations of Hong Kong in force from time to time, as well as the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange.

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

For the year ended 31 December 2024, none of the Director, Supervisor or any entity connected with the Directors, 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 2024, none of the 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 2024, none of the Directors, Supervisors and chief executives had or was deemed to have any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the 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 Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2024 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 2024, 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
QILU FORWARD INTERNATIONAL 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 Junsheng (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

Notes:

1. The letter "L" denotes the person's long 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 2024.

3. Calculated based on the total number of 146,667,200 shares of the Company in issue as at 31 December 2024.

4. 45.51% of the shares of BUCID are held by BUCG; BUCC is directly and wholly owned by BUCG.

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. As confirmed by Lushang Group (Hongkong) Co., Limited, the beneficial owner of the aforesaid H shares interest was changed to QILU FORWARD INTERNATIONAL CO., LIMITED on 5 September 2023.

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

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

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

10. Based on the disclosure of interests form submitted by Glodon Company Limited on 21 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 2024, 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.

SHARE APPRECIATION RIGHTS INCENTIVE SCHEME

Following the approval at the 2023 first extraordinary general meeting of the Company dated 19 December 2023, the Company adopted the Share Appreciation Rights Incentive Scheme (the "**Scheme**") and the related grant proposal (the "**Related Grant Proposal**"). The Scheme aims to further refine the corporate governance structure and long-term incentive mechanism of the Company, and better motivate the management team and core backbone employees. It will also effectively promote the achievement of the medium and long-term strategic goal of the Company, establish a long-term incentive mechanism closely linked to the operating performance and long-term strategies of the Company, and optimise the overall remuneration structure of the Company. For details of the Scheme and the Related Grant Proposal, please refer to the announcement of the Company dated 26 July 2023 and the circular dated 30 November 2023.

The Scheme and the Related Grant Proposal would not involve the grant of new shares to be issued by the Company or any of its subsidiaries or any share options in connection therewith and therefore, it does not fall within the ambit of, and is not subject to the requirements under Chapter 17 of the Listing Rules.

The Board considered and approved the resolution on the implementation of the initial grant of the share appreciation rights (the "**Initial Grant**") on 19 December 2023. On the initial grant date, the Board granted an aggregate number of 3,420,000 share appreciation rights to a total of 27 incentive recipients, with the number of the underlying H shares accounting for approximately 2.33% of the total issued share capital of the Company on the initial grant date. For details of the Initial Grant, please refer to the announcement of the Company dated 19 December 2023.

The Board considered and approved the resolution on the implementation of the grant of the 400,000 reserved share appreciation rights (the "**Reserved Grant**") on 16 December 2024. On the date of the Reserved Grant, the Board granted an aggregate number of 400,000 share appreciation rights to a total of four incentive recipients, with the number of the underlying H shares accounting for approximately 0.27% of the total issued share capital of the Company on the date of the Reserved Grant. For details of the Reserved Grant, please refer to the announcement of the Company dated 16 December 2024.

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 2024.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company and BUCG, our controlling Shareholder, entered into a non-competition agreement dated 11 October 2021 in favor of the Company (the "**Non-Competition Agreement**"). 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 2024, BUCG, 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's compliance with the non-competition undertaking for the year ended 31 December 2024.

In order to implement the work deployment on deepening the centralised and unified supervision and administration of operating state-owned assets made by the Beijing Municipal Party Committee and the Beijing Municipal Government, in accordance with the Overall Plan for Promoting the Transfer of Entrusted Supervision over Enterprises Affiliated to Municipal Government Agencies and Public Institutions into Direct Supervision by the Municipal State-owned Assets Supervision and Administration Commission《推動市級機關事業單位所屬委託監管企業轉市國資委直接監管總體方案》made by the Beijing Municipal Government and the requirements of minutes of relevant meetings, certain equity interests in property logistics enterprises (the "**Target Companies**") which are wholly owned by Beijing municipal government agencies and public institutions will be transferred to BUCG for free (the "**Gratuitous Transfer**"), while BUCG has established a new directly wholly-owned subsidiary, Beijing Universities Logistics Services Co., Ltd. (the "**Logistics Services Platform Enterprise**"), as the executive entity for acceptance and integration of Target Companies, to receive such equity interests of those Target Companies. Upon completion of the Gratuitous Transfer, BUCG will indirectly hold certain equity interests in each of the Target Companies through the Logistics Services Platform Enterprise. As the principal business of the Logistics Services Platform Enterprise will include logistics management services for companies, which is similar to that of the Group to some extent, there exists a certain degree of competition in the principal business between the Logistics Services Platform Enterprise and the Group. In order to protect the legitimate rights and interests of the investors of the Company, particularly the minority shareholders, BUCG issued the Undertaking Letter to the Company on 21 June 2024, to solve and avoid the competition. The Company and the Board of Directors (including the independent non-executive Directors), after consulting the PRC legal advisers of the Company, and assessing and studying the background, purpose and relevant legal provisions of the Gratuitous Transfer, are of the view that the Gratuitous Transfer does not constitute a New Business Opportunity under the Non-Competition Agreement. The Company's PRC legal advisers further confirmed that, as the horizontal competition issue arising from the Gratuitous Transfer and the Undertaking Letter issued by BUCG were new and not covered by the Non-Competition Agreement, and were proactively made by BUCG for the purpose of safeguarding the legitimate rights and interests of the investors of the Company, especially the minority shareholders, it does not constitute a breach of the Non-Competition Agreement, nor did it constitute a change to the original commitments under the Non-Competition Agreement. For details, please refer to the announcement of the Company dated 21 June 2024.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, 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 the sections headed "Continuing Connected Transactions" and "Connected Transaction" below, 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 2024.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2024, 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, the Company (for itself and on behalf of its subsidiaries) entered into a trademark licensing framework agreement with BUCG (for itself and on behalf of its associates) (the "**2021 Trademark Licensing Framework Agreement**"), pursuant to which BUCG and its associates agreed to irrevocably and unconditionally grant to the Group non-transferable and non-exclusive license to use certain trademarks registered in the PRC or Hong Kong on a royalty-free basis, for a term commencing from the date of the 2021 Trademark Licensing Framework Agreement up to and including 31 December 2023.

On 10 October 2023, the Company entered into the 2023 Trademark Licensing Framework Agreement with BUCG to renew the 2021 Trademark Licensing Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026.

2. BUCG Property Leasing Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a property leasing framework agreement with BUCG (for itself and on behalf of its associates) (the "**2021 BUCG Property Leasing Framework Agreement**"), pursuant to which, (i) the 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 the 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.

On 10 October 2023, the Company (for itself and on behalf of its associates) entered into the 2024 BUCG Property Leasing Framework Agreement (the "**2024 BUCG Property Leasing Framework Agreement**") with BUCG (for itself and on behalf of its associates) to renew the 2021 BUCG Property Leasing Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps, which refer to both estimated rental expenses and recognition of right-of-use assets from certain property leases, for the Group's leases from BUCG and its associates under the 2024 BUCG Property Leasing Framework Agreement for the three years ending 31 December 2026 are RMB180,617 thousand (among which approximately RMB171,250 thousand will be recognized as right-of-use assets from the certain property leases, and approximately RMB9,367 thousand will be rental expenses), RMB100,881 thousand (among which approximately RMB91,250 thousand will be recognized as right-of-use assets from certain property leases, and approximately RMB9,631 thousand will be rental expenses) and RMB101,134 thousand (among which approximately RMB91,250 thousand will be recognized as right-of-use assets from certain property leases, and approximately RMB9,884 thousand will be rental expenses), respectively. The annual caps for BUCG's and its associates' lease from the Group are RMB24,000 thousand, RMB28,800 thousand and RMB34,560 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2024, the total transaction amount for the Group's lease from BUCG and its associates under the 2024 BUCG Property Leasing Framework Agreement was RMB27,544 thousand (among which, the right-of-use assets were RMB21,493 thousand and the rental expenses were RMB6,051 thousand). The total transaction amount for BUCG's and its associates' lease from the Group was RMB9,002 thousand.

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

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries (other than Beijing Senqi Greening Engineering Co., Ltd. ("**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 "**2021 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement**"), pursuant to which Senqi Greening agreed to provide to the 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.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries (other than Senqi Greening)) entered into the 2024 commercial operational services and value-added services framework agreement (the "**2024 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement**") with Senqi Greening (for itself and on behalf of its subsidiaries) to renew the 2021 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fees payable by the Group (other than Senqi Greening) under the 2024 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement for the three years ending 31 December 2026 are RMB11,505 thousand, RMB12,655 thousand, and RMB13,921 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 for details.

For the year ended 31 December 2024, the total transaction amount generated from the service fees paid by the Group (other than Senqi Greening) under the 2024 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement was RMB5,812 thousand.

4. **Property Management Services Framework Agreement**

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a property management services framework agreement with BUCG (for itself and on behalf of its associates) (the "**2021 Property Management Services Framework Agreement**"), pursuant to which the 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.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2024 property management services framework agreement (the "**2024 Property Management Services Framework Agreement**") with BUCG (for itself and on behalf of its associates) to renew the 2021 Property Management Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fees payable by the BUCG and its associates under the 2024 Property Management Services Framework Agreement for the three years ending 31 December 2026 are RMB203,719 thousand, RMB234,277 thousand, and RMB269,418 thousand. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2024, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2024 Property Management Services Framework Agreement was RMB151,004 thousand.

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

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a commercial operational services and value-added services framework agreement with BUCG (for itself and on behalf of its associates) (the "**2021 BUCG Commercial Operational Services and Value-Added Services Framework Agreement**"), pursuant to which the 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.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2024 commercial operational services and value-added services framework agreement (the "**2024 BUCG Commercial Operational Services and Value-Added Services Framework Agreement**") with BUCG (for itself and on behalf of its associates) to renew the 2021 BUCG Commercial Operational Services and Value-Added Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by BUCG and its associates under the 2024 BUCG Commercial Operational Services and Value-Added Services Framework Agreement for the three years ending 31 December 2026 are RMB194,788 thousand, RMB214,267 thousand and RMB235,693 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2024, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2024 BUCG Commercial Operational Services and Value-Added Services Framework Agreement was RMB169,098 thousand.

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

On 11 October 2021, the Company (for itself and on behalf of its 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 "**2021 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement**"), pursuant to which Tiannuo Property and the 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.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries (other than Tiannuo Property)) entered into the 2024 commercial operational services and value-added services framework agreement (the "**2024 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement**") with Tiannuo Property (for itself and on behalf of its subsidiaries) to renew the 2021 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by the Group (other than Tiannuo Property) under the 2024 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement for the three years ending 31 December 2026 are RMB200 thousand, RMB240 thousand and RMB288 thousand, respectively, and the annual caps of the total service fee payable by Tiannuo Property are RMB542 thousand, RMB651 thousand and RMB781 thousand. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2024, the total transaction amount generated from the service fees paid by the Group (other than Tiannuo Property) under the 2024 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement was RMB165 thousand, and the total transaction amount generated from the service fees paid by Tiannuo Property was RMB218 thousand.

7. Engineering and Laboring Services Framework Agreement

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into an engineering and laboring services framework agreement with BUCG (for itself and on behalf of its associates) (the "**2021 Engineering and Laboring Services Framework Agreement**"), pursuant to which BUCG and its associates agreed to provide to the 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.

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2024 engineering and laboring services framework agreement (the "**2024 Engineering and Laboring Services Framework Agreement**") with BUCG (for itself and on behalf of its associates) to renew the 2021 Engineering and Laboring Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by the Group under the 2024 Engineering and Laboring Services Framework Agreement for the three years ending 31 December 2026 are RMB55,000 thousand, RMB57,750 thousand and RMB60,638 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2024, the total transaction amount generated from the service fees paid by the Group under the 2024 Engineering and Laboring Services Framework Agreement was RMB11,808 thousand.

8. **Property Ancillary Services Framework Agreement**

On 11 October 2021, the Company (for itself and on behalf of its subsidiaries) entered into a property ancillary services framework agreement with BUCG (for itself and on behalf of its associates) (the "**2021 Property Ancillary Services Framework Agreement**"), pursuant to which the 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.

On 10 October 2023, the Company entered into the 2024 property ancillary services framework agreement (the "**2024 Property Ancillary Services Framework Agreement**") with BUCG to renew the 2021 Property Ancillary Services Framework Agreement, and the annual caps of the relevant framework agreement were approved at the 2023 first extraordinary general meeting held on 19 December 2023, for a term commencing from 1 January 2024 to 31 December 2026. The annual caps of the total service fee payable by BUCG and its associates under the 2024 Property Ancillary Services Framework Agreement for the three years ending 31 December 2026 are RMB34,489 thousand, RMB37,938 thousand and RMB41,732 thousand, respectively. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

For the year ended 31 December 2024, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2024 Property Ancillary Services Framework Agreement was RMB14,937 thousand.

9. **Carpark Space Leasing and Sales Services Framework Agreement**

On 10 October 2023, the Company (for itself and on behalf of its subsidiaries) entered into a carpark space leasing and sales services framework agreement with BUCG (for itself and on behalf of its associates) (the "**Carpark Space Leasing and Sales Services Framework Agreement**"), pursuant to which the Group has agreed to provide assistance services for BUCG and its associates in its sale and/or leasing of carpark spaces by adopting the leasing and sales at the base price model and/or the acquisition of rights-of-use model. The Group will enter into specific contracts (the "**Specific Contracts**") with BUCG and its associates to specify the agreed cooperation of both parties on specific projects and the number of carpark spaces involved (the "**Target Carpark Spaces**"). The term is three years from the date when the Carpark Space Leasing and Sales Services Framework Agreement is considered and approved at the 2023 first extraordinary general meeting of the Company held on 19 December 2023. Please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023 for details.

Model I: leasing and sales at the base price model

BUCG and its associates have agreed to entrust the Group to assist them for the sale and/or leasing of the Target Carpark Spaces involved in the Specific Contracts (the "**Exclusive Leasing and Sales Rights**"). During the agreement period of the Specific Contracts, BUCG and its associates shall not entrust the Target Carpark Spaces to other third parties for leasing or sales. The Exclusive Leasing and Sales Rights are the sole and exclusive rights entitled to the Group, and any sale, transfer, grant, pledge or any other disposal of any of the Target Carpark Spaces by BUCG and its associates to a third party shall be subject to agreement with the Group.

The annual caps for (1) the deposits (the maximum balance of the deposits to be paid by the Group to BUCG and its associates at any point in time during the relevant period) are RMB26,360 thousand, RMB59,765 thousand, RMB67,325 thousand and RMB67,920 thousand, respectively; and (2) the service fee are RMB0, RMB18,640 thousand, RMB34,640 thousand and RMB25,600 thousand, respectively under the Carpark Space Leasing and Sales Services Framework Agreement for the period from the effective date to 31 December 2023, for the two years ending 31 December 2025 and for the period from 1 January 2026 to the termination date of the Carpark Space Leasing and Sales Services Framework Agreement under the leasing and sales at the base price model.

For the year ended 31 December 2024, pursuant to the Carpark Space Leasing and Sales Services Framework Agreement, the Group paid to BUCG and its associates (1) the maximum balance of deposits of RMB0; and (2) the total transaction amount generated from the service fee of RMB0, under the leasing and sales at the base price model.

Model II: acquisition of rights-of-use model

BUCG and its associates agreed to transfer the rights-of-use in the Target Carpark Spaces to the Group. After transfer of the rights-of-use in the Target Carpark Spaces, the scope of the rights-of-use entitled to the Group includes self-use of the Target Carpark Spaces, leasing to the public, and assisting BUCG and its associates in the sale of the carpark spaces. In respect of assisting BUCG and its associates for the sales of the carpark spaces, BUCG and its associates have legally authorized the Group to sell the Target Carpark Spaces to the purchaser and enter into the contract for sale and purchase of the carpark spaces with the purchaser in the name of BUCG and its associates, and to handle the procedures to transfer property rights of the Target Carpark Spaces. The proceeds from the sale of the carpark spaces will be remitted by the purchaser directly to the designated account of BUCG and its associates or the Group.

The annual caps for (1) the transfer price of the rights-of-use of the carpark spaces are RMB126,169 thousand, RMB20,000 thousand, RMB20,000 thousand and RMB20,000 thousand, respectively; and (2) the service fee are RMB23,456, RMB31,366 thousand, RMB12,298 thousand and RMB9,932 thousand, respectively under the Carpark Space Leasing and Sales Services Framework Agreement for the period from the effective date to 31 December 2023, for the two years ending 31 December 2025 and for the period from 1 January 2026 to the termination date of the Carpark Space Leasing and Sales Services Framework Agreement under the acquisition of rights-of-use model.

For the year ended 31 December 2024, pursuant to the Carpark Space Leasing and Sales Services Framework Agreement, the Group paid to BUCG and its associates (1) the transfer price of the rights-of-use of the carpark spaces of RMB7,581 thousand; and (2) the total transaction amount generated from the service fee of RMB1,794 thousand, under the acquisition of rights-of-use model.

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 course of business of the 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 the Shareholders of the Company as a whole.

Confirmation from the Auditor

Pursuant to Rule 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 that:

(1) nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the 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 disclosed continuing connected transactions were not entered into, 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 disclosed 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.

CONNECTED TRANSACTION

On 25 September 2024, Beijing Chengcheng Property Management Co., Ltd. (北京城承物業管理有限責任公司) ("**Chengcheng Property**", a wholly-owned subsidiary of the Company) and Beijing Xincheng Jinjun Real Estate Development Co., Ltd. (北京新城金郡房地產開發有限公司) (the "**Seller**", the equity interest of which is owned by BUCID as to 49% and therefore a connected person of the Company) entered into the supplier property offset agreement and memorandum, pursuant to which the Seller transferred its right of use of a total of 38 titled parking spaces located at the Shunyi Guoyu Mansion (順義國譽府) project, No. 6 Kun'an Road and No. 1 Machang East Road, Shunyi District, Beijing, the PRC, to Chengcheng Property in order to offset part of the outstanding receivables totalling RMB7,580,962.00. For details, please refer to the announcement of the Company dated 25 September 2024.

RELATED PARTY TRANSACTIONS

Details of the material related party transactions entered into by the Group during the year ended 31 December 2024 are set out in Note 29 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 and connected transaction.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had 1,871 employees (as at 31 December 2023: 1,865 employees). For the year ended 31 December 2024, the total staff costs were approximately RMB367.6 million (2023: approximately RMB361.0 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 31 to the consolidated financial statements in this annual report, there were no significant events subsequent to 31 December 2024 and up to the date of this report that might 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 2024, 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 the 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 2023 annual general meeting of the Company held on 22 May 2024 reviewed and approved the appointment of KPMG as the 2024 International Accounting Standards Auditor of the Company and authorized the Board or Audit Committee to determine its remuneration. The consolidated financial statements for the year ended 31 December 2024 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 Audit Committee of the Company has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2024, 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 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 2024, the Company'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 Company as a whole.

PUBLIC FLOAT

Based on the published information and to the knowledge of the Directors, for the year ended 31 December 2024 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 organisations.

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 C2 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,
28 March 2025

VII. Independent Auditor's Report

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 86 to 164, which comprise the consolidated statement of financial position as at 31 December 2024, 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, comprising material accounting policy information and other explanatory information.

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 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as 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 Note 18 and Note 27(a) to the consolidated financial statements and the accounting policy in Note 2(k).

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2024, the Group's gross trade receivables and an allowance for expected credit losses ("ECLs") amounted to RMB895,016,000 and RMB195,408,000, 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 2024 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 IFRS Accounting Standards as 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

KPMG

Certified Public Accountants

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

28 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024
(Expressed in Renminbi ("RMB"))

	Note	**2024** **RMB'000**	2023 RMB'000
Revenue	4	**1,983,611**	1,829,381
Cost of sales		**(1,629,470)**	(1,453,000)
Gross profit		**354,141**	376,381
Other (expense)/income	5	**(436)**	18,995
Administrative expenses		**(183,509)**	(197,428)
Selling expenses		**(10,099)**	(11,079)
Expected credit loss on trade and other receivables	6(d)	**(58,754)**	(52,623)
Profit from operations		**101,343**	134,246
Finance income	6(a)	**14,071**	20,524
Finance costs	6(b)	**(5,407)**	(2,731)
Share of profit of an associate		**644**	17
Profit before taxation	6	**110,651**	152,056
Income tax	7(b)	**(26,022)**	(36,368)
Profit for the year		**84,629**	115,688

The notes on pages 93 to 164 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024
(Expressed in RMB)

	Note	**2024** **RMB'000**	2023 RMB'000
Profit for the year		**84,629**	115,688
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations	23(b)	**794**	(896)
Income tax relating to remeasurement of defined benefit obligations		**(199)**	224
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves	27(d)	**(13,682)**	(13,184)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		**3,420**	3,296
Other comprehensive income for the year		**(9,667)**	(10,560)
Total comprehensive income for the year		**74,962**	105,128
Profit attributable to:			
Equity shareholders of the Company		**79,671**	113,594
Non-controlling interests		**4,958**	2,094
		84,629	115,688
Total comprehensive income attributable to:			
Equity shareholders of the Company		**70,004**	103,012
Non-controlling interests		**4,958**	2,116
		74,962	105,128
Earnings per share (RMB)	10	**0.54**	0.77

The notes on pages 93 to 164 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 26(c).

Consolidated Statement of Financial Position

At 31 December 2024
(Expressed in RMB)

	Note	**2024** **RMB'000**	2023 RMB'000
Non-current assets			
Investment properties	11	**107,500**	107,960
Property, plant and equipment and right-of-use assets	12	**199,827**	208,856
Intangible assets	13	**11,689**	13,743
Other financial assets	15	**45,714**	59,396
Investment in an associate	16	**4,261**	3,617
Deferred tax assets	25(b)	**82,957**	61,999
		451,948	455,571
Current assets			
Inventories	17	**661**	618
Trade and other receivables, and prepayments	18	**797,560**	794,126
Restricted cash	19(a)	**8,263**	11,875
Time deposits with original maturity over three months	19(a)	**400,000**	–
Cash and cash equivalents	19(a)	**883,012**	1,105,235
		2,089,496	1,911,854
Current liabilities			
Trade and other payables	20	**1,047,826**	972,233
Contract liabilities	21	**335,743**	296,833
Lease liabilities	22	**108,767**	95,213
Current taxation	25(a)	**24,830**	25,316
		1,517,166	1,389,595
Net current assets		**572,330**	522,259
Total assets less current liabilities		**1,024,278**	977,830
Non-current liabilities			
Lease liabilities	22	**25,033**	20,291
Deferred tax liabilities	25(b)	**33,380**	33,644
Defined benefit obligations	23	**66,359**	68,684
		124,772	122,619
NET ASSETS		**899,506**	855,211

The notes on pages 93 to 164 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2024
(Expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
CAPITAL AND RESERVES			
Share capital	26	**146,667**	146,667
Reserves	26	**716,797**	677,842
Total equity attributable to equity shareholders of the Company		**863,464**	824,509
Non-controlling interests		**36,042**	30,702
TOTAL EQUITY		**899,506**	855,211

Approved and authorised for issue by the board of directors on 28 March 2025.

Name: Zhang Weize
Position: Chairman of the Board

Name: Yang Jun
Position: Director

The notes on pages 93 to 164 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company								
		Share capital RMB'000 Note 26(b)	Capital reserve RMB'000 Note 26(d)(i)	Statutory surplus reserve RMB'000 Note 26(d)(ii)	Defined benefit obligation remeasurement reserve RMB'000 Note 26(d)(iii)	Fair value reserve RMB'000 Note 26(d)(iv)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023		146,667	244,415	2,711	(5,918)	(14,374)	379,896	753,397	28,972	782,369
Changes in equity for 2023:										
Profit for the year		–	–	–	–	–	113,594	113,594	2,094	115,688
Other comprehensive income		–	–	–	(694)	(9,888)	–	(10,582)	22	(10,560)
Total comprehensive income		–	–	–	(694)	(9,888)	113,594	103,012	2,116	105,128
Dividends declared in respect of the previous years	26(c)	–	–	–	–	–	(31,900)	(31,900)	–	(31,900)
Distribution to subsidiaries' non-controlling shareholders		–	–	–	–	–	–	–	(386)	(386)
Balance at 31 December 2023		146,667	244,415	2,711	(6,612)	(24,262)	461,590	824,509	30,702	855,211

The notes on pages 93 to 164 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	Share capital RMB'000 Note 26(b)	Capital reserve RMB'000 Note 26(d)(i)	Statutory surplus reserve RMB'000 Note 26(d)(ii)	Defined benefit obligation remeasurement reserve RMB'000 Note 26(d)(iii)	Fair value reserve RMB'000 Note 26(d)(iv)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024		**146,667**	**244,415**	**2,711**	**(6,612)**	**(24,262)**	**461,590**	**824,509**	**30,702**	**855,211**
Changes in equity for 2024:										
Profit for the year		-	-	-	-	-	79,671	79,671	4,958	84,629
Other comprehensive income		-	-	-	595	(10,262)	-	(9,667)	-	(9,667)
Total comprehensive income		-	-	-	595	(10,262)	79,671	70,004	4,958	74,962
Appropriation to statutory reserve		-	-	3,944	-	-	(3,944)	-	-	-
Dividends declared in respect of the previous years	26(c)	-	-	-	-	-	(31,049)	(31,049)	-	(31,049)
Distribution to subsidiaries' non-controlling shareholders		-	-	-	-	-	-	-	(618)	(618)
Capital contribution from a subsidiary's non-controlling shareholder		-	-	-	-	-	-	-	1,000	1,000
Balance at 31 December 2024		**146,667**	**244,415**	**6,655**	**(6,017)**	**(34,524)**	**506,268**	**863,464**	**36,042**	**899,506**

The notes on pages 93 to 164 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2024
(Expressed in RMB)

	Note	**2024** **RMB'000**	2023 RMB'000
Operating activities			
Cash generated from operations	19(b)	**274,562**	78,795
Income taxes paid	25(a)	**(44,509)**	(38,899)
Net cash generated from operating activities		**230,053**	39,896
Investing activities			
Purchases of property, plant and equipment		**(18,289)**	(34,933)
Purchases of intangible assets		**–**	(1,928)
Proceeds from disposal of property, plant and equipment		**431**	595
Dividend received from unlisted equity investments		**–**	1,050
Investments in an associate		**–**	(3,600)
Increase in time deposits		**(400,000)**	–
Net cash used in investing activities		**(417,858)**	(38,816)
Financing activities			
Capital element of lease rentals paid	19(c)	**(3,150)**	(3,176)
Interest element of lease rentals paid	19(c)	**(455)**	(705)
Capital injection from a subsidiary's non-controlling shareholder		**1,000**	–
Listing expense paid		**–**	(169)
Dividends paid to equity shareholders of the Company	26(c)	**(31,049)**	(31,900)
Distribution to subsidiaries' non-controlling shareholders		**(618)**	(386)
Net cash used in financing activities		**(34,272)**	(36,336)
Net decrease in cash and cash equivalents		**(222,077)**	(35,256)
Cash and cash equivalents at 1 January	19(a)	**1,105,235**	1,140,733
Effect of foreign exchange rate changes	5	**(146)**	(242)
Cash and cash equivalents at 31 December	19(a)	**883,012**	1,105,235

The notes on pages 93 to 164 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 503, Building 8, No. 5, Dongzongbu Hutong, 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 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as 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. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards 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 2024 comprise the Company and its subsidiaries and the Group's interest in an associate.

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

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(h))*

– *investments in equity securities (see Note 2(g))*

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

The preparation of financial statements in conformity with IFRS Accounting Standards 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 IFRS Accounting Standards 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 IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("2020 amendments") and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("2022 amendments")

- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. 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.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI 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 NCI 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.

When the Group loses control of a subsidiary, it derecognises, the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

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

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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.

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) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Associates and joint ventures *(Continued)*

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see Note 2(k)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see Note 2(k)).

(f) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Software	3 – 10 years
– Customer relationship	35 months

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities 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 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 27(d). These investments are subsequently accounted for as follows, depending on their classification.

Equity investments

An investment in equity investments is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. 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. If such an election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and 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 (see Note 2(u)(vi)).

(h) Investment property

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(u)(v).

(i) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(j)), are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(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(w)).

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Property, plant and equipment *(Continued)*

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

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, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Buildings	5 – 70 years
– Vehicles	5 – 12 years
– Office and other equipment	3 – 15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case 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 leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(j) 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 recognised 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 are charged to profit or loss as 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 adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(i) and 2(k)(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(h).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Note 2(u)(vii)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, If there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it 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 lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification 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.

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 MATERIAL ACCOUNTING POLICIES *(Continued)*

(j) Leased assets *(Continued)*

(ii) As a lessor

The Group 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. Otherwise, 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(u)(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(j)(i), then the Group classifies the sub-lease as an operating lease.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECL”s) on:

– financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables); and

– lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following rate if the effect is material:

– fixed-rate financial assets, trade and other receivables: 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.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from possible default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

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

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor 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).

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.

Credit-impaired financial assets

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 being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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

Credit-impaired financial assets (Continued)

– it is probable that the debtor will enter into bankruptcy or other financial reorganisation;

– 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 is written off 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.

(ii) Impairment of non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

(ii) Impairment of non-current assets *(Continued)*

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) 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 measured 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.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Contract liabilities

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

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

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

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 (see Note 2(k)(i)).

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

(o) 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 ECL in accordance with the policy set out in Note 2(k)(i).

(p) 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.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these 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(w)).

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(r) Employee benefits

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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned 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 of defined benefit obligation 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.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense 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 then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) Share-based payments

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognised in profit or loss.

(iv) 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 MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Income tax

Income tax expense comprises current tax and deferred tax. it is recognised in profit or loss except to the extent that it relates to business combinations, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Income tax *(Continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with Note 2(h), 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 measurement of deferred tax reflects tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(k)(ii)).

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) Provisions and contingent liabilities *(Continued)*

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.

(u) 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 such as value added tax or other sales taxes.

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.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

(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.

(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(m)).

(v) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised in profit or loss as an integral part of the total rental income, over the term of the lease. 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.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

(vi) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(vii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(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.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(w) 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.

(x) 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.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(y) 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.

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, 23 and 27(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 27(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) 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.

3 ACCOUNTING JUDGEMENT AND ESTIMATES *(Continued)*

(iii) 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 27(d) for further disclosures.

(iv) 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 23. 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 at the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group has elected the practical expedient not to disclose the remaining performance obligations for this type of contracts. The majority of the property management services do not have a fixed term.

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

(b) Segment reporting

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

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

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

(Expressed in RMB unless otherwise indicated)

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:

	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by timing of revenue recognition		
– Revenue recognised over time	**1,955,418**	1,773,444
– Revenue recognised at point in time	**1,383**	2,018
Revenue from other sources		
– Rental income	**26,810**	53,919
	1,983,611	1,829,381
Revenue disaggregated by service lines		
– Property management services	**1,398,652**	1,131,296
– Value-added services to non-property owners	**253,597**	358,830
– Community value-added services	**331,362**	339,255
	1,983,611	1,829,381

For the year ended 31 December 2024, revenue from Beijing Urban Construction Group Co., Ltd. ("BUCG") and its subsidiaries (together, the "BUCG Group") contributed 16.9% (2023: 19.9%) of the Group's revenue. Also, revenue from another third party customer contributed 10.70% (2023: 5.30%) of the Group's revenue. Other than these, the Group's customer base is diversified and none of them contributed 10% or more of the Group's revenue during the year ended 31 December 2024 (2023: nil).

(Expressed in RMB unless otherwise indicated)

5 OTHER (EXPENSE)/INCOME

	2024 RMB'000	2023 RMB'000
Fair value (losses)/gain of investment properties	**(460)**	250
Net gains on disposal of property, plant and equipment and right-of-use assets	**3,219**	12,941
Impairment losses on property, plant and equipment and right-of-use assets	**(4,368)**	–
Additional deduction of input value-added tax ("VAT")	**–**	5,132
Net foreign exchange losses	**(146)**	(242)
Others	**1,319**	914
	(436)	18,995

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

(a) Finance income

	2024 RMB'000	2023 RMB'000
Interest income on bank deposits	**14,071**	20,524

(b) Finance costs

	2024 RMB'000	2023 RMB'000
Interest on defined benefit obligations (Note 23(b))	**1,841**	2,026
Interest on lease liabilities (Note 12)	**3,566**	705
	5,407	2,731

6 PROFIT BEFORE TAXATION *(Continued)*

(c) Staff costs

	Note	2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits		**323,205**	319,241
Expenses reversed in respect of defined benefit retirement plans (Note 23(b))		**(1,261)**	(1,557)
Contributions to defined contribution retirement plan	(i)	**45,679**	43,319
		367,623	361,003

Note:

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

(d) Other items

	2024 RMB'000	2023 RMB'000
Amortisation cost of intangible assets (Note 13)	**2,054**	2,077
Depreciation charge (Note 12)		
– Property, plant and equipment	**15,440**	16,255
– Right-of-use assets	**16,962**	5,946
Bank charges	**2,912**	2,515
Cost of inventories (Note 17)	**1,168**	1,944
Expected credit loss on trade and other receivables		
– Trade receivables (Note 18(b))	**58,755**	52,623
– Other receivables	**(1)**	–
Auditors' remuneration		
– Audit services	**3,385**	3,580
– Other services	**10**	337
Rental income from investment properties less direct outgoings of RMB254,000 (2023: RMB208,000)	**5,129**	7,448

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:

	2024 RMB'000	2023 RMB'000
Current tax – PRC Corporate Income Tax		
Provision for the year (Note 25(a))	**44,023**	51,499
Deferred tax		
Origination and reversal of temporary differences (Note 25(b)(i))	**(18,001)**	(15,131)
	26,022	36,368

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

	Notes	2024 RMB'000	2023 RMB'000
Profit before taxation		**110,651**	152,056
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	(i)	**27,663**	38,014
Tax effect of PRC preferential tax rates	(ii)	**(1,320)**	(1,446)
Tax effect of non-deductible expenses		**78**	50
Others		**(399)**	(250)
Actual tax expense		**26,022**	36,368

Notes:

(i) The provision for PRC Corporate Income Tax for the years ended 31 December 2024 and 2023 is calculated at 25% of the estimated assessable profits for the year.

(ii) Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises and are subject to a preferential income tax rate of 5% during the year ended 31 December 2024 (2023: 5%).

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 2024	Directors' fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Cash-settled share-based payments RMB'000	Total RMB'000
Chairman and Executive Director						
Zhang Weize	–	349	893	108	–	1,350
Executive Directors						
Yang Jun	–	349	893	108	44	1,394
Yao Xin (resigned on 22 May 2024)	–	134	–	44	37	215
Luo Zhou	–	323	694	108	37	1,162
Non-executive Directors						
Kong Weiping	120	–	–	–	–	120
Cheng Peng	120	–	–	–	–	120
Kong Chi Mo	120	–	–	–	–	120
Mao Lei	–	–	–	–	–	–
Jiang Xin	–	–	–	–	–	–
Li Zuoyang (appointed on 22 May 2024)	–	–	–	–	–	–
Supervisors						
Liu Fengyuan (resigned on 22 May 2024)	–	–	–	–	–	–
Liu Fang (resigned on 22 May 2024)	–	114	108	44	–	266
Liu Yueming (appointed on 22 May 2024)	–	–	–	–	–	–
Yang Jie (appointed on 22 May 2024)	–	151	155	44	–	350
Hu Ming kai	–	–	–	–	–	–
	360	1,420	2,743	456	118	5,097

(Expressed in RMB unless otherwise indicated)

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

Year ended 31 December 2023	Directors' fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Cash-settled share-based payments RMB'000	Total RMB'000
Chairman and Executive Director						
Zhang Weize	–	348	647	104	–	1,099
Executive Directors						
Yang Jun	–	348	647	104	2	1,101
Yao Xin	–	322	503	104	2	931
Luo Zhou	–	321	537	104	2	964
Non-executive Directors						
Kong Weiping	120	–	–	–	–	120
Cheng Peng	120	–	–	–	–	120
Kong Chi Mo	120	–	–	–	–	120
Mao Lei	–	–	–	–	–	–
Jiang xin	–	–	–	–	–	–
Supervisors						
Liu Fengyuan	–	–	–	–	–	–
Wang Wei (resigned on 12 May 2023)	–	–	–	–	–	–
Liu Fang	–	270	346	98	–	714
Yang Nan (appointed on 12 May 2023, resigned on 19 December 2023)	–	–	–	–	–	–
Hu Ming Kai (appointed on 19 December 2023)	–	–	–	–	–	–
	360	1,609	2,680	514	6	5,169

During the years ended 31 December 2024 and 2023, Mr.Li Zuoyang Mr. Hu Ming Kai, Mr. Mao Lei, Ms.Liu Yueming, Ms. Jiang Xin 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 2024 and 2023, 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, four (2023: four) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other one (2023: one) individual is as follows:

	2024	2023
	RMB'000	RMB'000
Salaries and other allowances	**323**	322
Discretionary bonus	**694**	680
Retirement scheme contributions	**108**	104
	1,125	1,106

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

	2024	2023
HKD1,000,001 – HKD1,500,000	**1**	1

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the above individuals with the highest emoluments as an inducement to join or upon joining the Group or as compensation for loss of office.

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 RMB79,671,000 (2023: RMB113,594,000) and the weighted average of 146,667,000 ordinary shares (2023: 146,667,000 shares) in issue during the year.

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 2024 and 2023.

11 INVESTMENT PROPERTIES

	Note	**2024** **RMB'000**	2023 RMB'000
Fair value			
At 1 January		**107,960**	107,710
Change in fair value	5	**(460)**	250
At 31 December		**107,500**	107,960

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

	2024 **RMB'000**	2023 RMB'000
Investment properties located in Beijing, the PRC:		
– Residential – Level 3	**3,180**	3,190
– Commercial – Level 3	**104,320**	104,770
	107,500	107,960

(Expressed in RMB unless otherwise indicated)

11 INVESTMENT PROPERTIES *(Continued)*

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: 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 2024 and 2023. The valuations were carried out by an independent firm of surveyors, 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 results when the valuation is performed at each interim and annual reporting date.

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 significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Residential	Market approach The key input is: – Market price	Market price per sq.m: RMB47,900 (2023: RMB48,000)	The higher the market price, the higher the market value
Commercial	Income approach The key inputs are: – Capitalisation rate – Unit rent of individual property	Capitalisation rate: 5.5% – 6.0% (2023: 5.5% – 6.0%)	The higher the capitalisation rate, the lower the market value
		Unit rent of individual property per sq.m. per month: RMB112 – RMB187 (2023: RMB113 – RMB188)	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 4 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:

	2024	2023
	RMB'000	RMB'000
Within 1 year	**4,568**	6,943
After 1 years but within 2 years	**2,785**	2,566
After 2 years but within 3 years	**1,334**	–
Over 3 years	**687**	–
	9,374	9,509

12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Buildings RMB'000	Vehicles RMB'000	Office and other equipment RMB'000	Sub-total RMB'000	Other properties leased or acquired as right-of-use assets RMB'000	Total RMB'000
Cost:						
At 1 January 2023	16,407	3,466	77,085	96,958	3,300	100,258
Additions	5,072	261	13,589	18,922	173,754	192,676
Disposals	–	(294)	(1,963)	(2,257)	(22,352)	(24,609)
At 31 December 2023	21,479	3,433	88,711	113,623	154,702	268,325
Additions	110	50	1,159	1,319	29,641	30,960
Disposals	–	(88)	(2,621)	(2,709)	(3,320)	(6,029)
At 31 December 2024	21,589	3,395	87,249	112,233	181,023	293,256
Accumulated depreciation:						
At 1 January 2023	(10,868)	(2,467)	(24,278)	(37,613)	(1,906)	(39,519)
Charge for the year	(1,326)	(250)	(14,679)	(16,255)	(5,946)	(22,201)
Written back on disposals	–	176	1,523	1,699	552	2,251
At 31 December 2023	(12,194)	(2,541)	(37,434)	(52,169)	(7,300)	(59,469)
Charge for the year	(1,932)	(206)	(13,302)	(15,440)	(16,962)	(32,402)
Impairment loss	–	–	(3,475)	(3,475)	(893)	(4,368)
Written back on disposals	–	65	2,130	2,195	615	2,810
At 31 December 2024	(14,126)	(2,682)	(52,081)	(68,889)	(24,540)	(93,429)
Carrying amount:						
At 31 December 2024	7,463	713	35,168	43,344	156,483	199,827
At 31 December 2023	9,285	892	51,277	61,454	147,402	208,856

12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS *(Continued)*

(a) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Notes	**2024** **RMB'000**	2023 RMB'000
Acquired right-of-use parking lots assets, carried at depreciated cost	(i)	**102,638**	101,216
Other properties leased, carried at depreciated cost	(ii)	**53,845**	46,186
		156,483	147,402

(i) Acquired right-of-use parking lots assets

In September 2024, the Group and a subsidiary of the BUCG Group ("the Seller") entered into a sales and purchase agreement, pursuant to which the Seller transferred the right-of-use of the carpark spaces to the Group at a consideration of RMB7,581,000, and the Group settled the transaction by offsetting part of its trade receivables due from the Seller.

(ii) Other properties leased

The Group leases offices, commercial properties and parking lots under leases expiring in 2 – 17 years. None of the leases includes variable lease payments.

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

	2024 **RMB'000**	2023 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
– Acquired right-of-use parking lots assets	**3,455**	268
– Other properties leased	**13,507**	5,678
	16,962	5,946
Interest on lease liabilities	**3,566**	705
Expense relating to short-term leases	**10,637**	11,558

12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS *(Continued)*

(a) Right-of-use assets *(Continued)*

(ii) Other properties leased (Continued)

During the year ended 31 December 2024, additions to right-of-use assets included the purchase of right-of-use parking lots assets of RMB7,581,000 (2023: RMB122,980,000), and the remainder was primarily related to lease prepayments and capitalised lease payments payable under new tenancy agreements of RMB22,460,000 (2023: RMB50,774,000).

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 19(d) and 27(b), respectively.

(b) Leases as a lessor

The Group leases out a number of equipment and parking lots under operating leases. The leases typically run for an initial period of 6 to 36 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:

	2024	2023
	RMB'000	RMB'000
Within 1 year	**6,616**	6,048
1 to 2 years	**52**	1,294
Over 2 years	**712**	–
	7,380	7,342

(Expressed in RMB unless otherwise indicated)

13 INTANGIBLE ASSETS

	Software RMB'000	Customer relationship RMB'000	Total RMB'000
Cost:			
At 1 January 2023	11,223	5,884	17,107
Additions	1,818	–	1,818
At 31 December 2023, 1 January 2024 and 31 December 2024	13,041	5,884	18,925
Accumulated amortisation:			
At 1 January 2023	(2,356)	(749)	(3,105)
Charge for the year	(793)	(1,284)	(2,077)
At 31 December 2023	(3,149)	(2,033)	(5,182)
Charge for the year	(770)	(1,284)	(2,054)
At 31 December 2024	(3,919)	(3,317)	(7,236)
Net book value:			
At 31 December 2024	9,122	2,567	11,689
At 31 December 2023	9,892	3,851	13,743

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

(Expressed in RMB unless otherwise indicated)

14 INVESTMENT IN SUBSIDIARIES

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

			Proportion of ownership interest			
Company name	Place of establishment and operation	Particulars of registered/paid-in capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Beijing Urban Construction Group Properties Co., Ltd. 北京城建置業有限公司 (Notes (i) and (ii))	The PRC	RMB100,000,000/ RMB50,000,000	100%	100%	–	Property management
Beijing Uni.-Construction Beiyu Property Service Co., Ltd. ("Beiyu Property") 北京住總北宇物業服務有限責任公司(Notes (i) and (ii))	The PRC	RMB50,000,000/ RMB30,300,000	100%	100%	–	Property management
Beijing Chengcheng Property Management Co., Ltd. 北京城承物業管理有限責任公司 (Notes (i) and (ii))	The PRC	RMB50,000,000/ RMB15,000,000	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	RMB15,000,000/ RMB3,000,000	100%	100%	–	Property management
Beijing Zhuolian Property Management Co., Ltd. 北京卓聯物業經營管理有限公司 (Notes (i) and (ii))	The PRC	RMB5,000,000/ RMB2,500,000	60%	60%	–	Property management
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	RMB12,000,000/ RMB5,000,000	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 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 (iii))	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 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	**2024** **RMB'000**	2023 RMB'000
Equity investments designated at FVOCI			
– Unlisted equity investments	27(d)	**45,714**	59,396

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.

16 INTERESTS IN AN ASSOCIATE

Details of the Group's interest in the associate, which is accounted for using the equity method in the consolidated financial statements, are as follows:

				Proportion of ownership interest			
Company name	**Form of business structure**	**Place of establishment and operation**	**Particulars of registered/ paid-in capital**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary**	**Principal activity**
Beijing Huairou Science City Property Service Co., Ltd. 北京懷柔科學城物業服務有限公司	Incorporated	The PRC	RMB30,000,000/ RMB9,000,000	40%	40%	–	Property management

Beijing Huairou Science City Property Service Co., Ltd. was established on 6 January 2023 by the Company and a third-party property developer. It is mainly engaged in the property management services.

The associate is not material to the consolidated financial statements and is an unlisted corporate entity.

(Expressed in RMB unless otherwise indicated)

17 INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	**612**	561
Low-value consumables	**49**	57
	661	618

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

	2024 RMB'000	2023 RMB'000
Carrying amount of inventories sold	**1,168**	1,944

All of the inventories are expected to be recovered within one year.

18 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	2024 RMB'000	2023 RMB'000
Trade receivables		
– related parties (Note 29(c))	**305,658**	262,945
– third parties	**589,358**	592,872
	895,016	855,817
Less: allowance for trade receivables (Note 27(a))	**(195,408)**	(136,653)
	699,608	719,164
Other receivables due from related parties (Note 29(c))	**16,018**	24,033
Interest receivable	**2,400**	–
Deposits	**18,865**	10,251
Other receivables	**9,357**	7,054
Less: allowance for other receivables	**(1,029)**	(1,030)
	45,611	40,308
Financial assets measured at amortised cost	**745,219**	759,472
Prepayments		
– third parties	**38,175**	25,881
Input VAT to be deducted	**14,166**	8,773
	797,560	794,126

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

As at 31 December 2024, other receivables due from related parties are unsecured and interest-free. Details of the amounts due from related parties are set out in Note 29(c).

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

(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, is as follows:

	2024 **RMB'000**	2023 RMB'000
Within 1 year	**375,094**	457,050
1 to 2 years	**176,178**	139,855
2 to 3 years	**85,349**	86,941
3 to 4 years	**50,663**	25,972
4 to 5 years	**7,699**	4,426
Over 5 years	**4,625**	4,920
	699,608	719,164

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 27(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:

	2024 **RMB'000**	2023 RMB'000
At 1 January	**136,653**	84,030
Expected credit loss recognised	**58,755**	52,623
At 31 December	**195,408**	136,653

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	2024 **RMB'000**	2023 RMB'000
Cash on hand	**11**	67
Cash at bank (Note (i))	**1,291,264**	1,117,043
Less:		
– Restricted cash (Note (ii))	**8,263**	11,875
– Time deposits with original maturity over three months (Note (iii))	**400,000**	–
	883,012	1,105,235

The Company

	2024 **RMB'000**	2023 RMB'000
Cash at bank	**1,215,000**	816,637

Notes:

(i) As at 31 December 2024, cash at bank includes housing maintenance funds of RMB28,153,000 (2023: RMB10,614,000) which were owned by the property owners but were deposited in the bank accounts in the name of the Group. Such deposits can be used by the Group for the purpose of public maintenance expenditures upon the approval from the relevant government authorities.

(ii) As at 31 December 2024 and 2023, 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.

(iii) At 31 December 2024, bank deposits of the Group represented fixed-term deposits maturing in 6 months at an annual interest of 1.8%.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2024 RMB'000	2023 RMB'000
Profit before taxation		**110,651**	152,056
Adjustments for:			
Finance costs	6(b)	**5,407**	2,731
Depreciation of property, plant and equipment and right-of-use assets	12	**32,402**	22,201
Amortisation of intangible assets	13	**2,054**	2,077
Changes in fair value of investment properties	11	**460**	(250)
Share of profit of an associate		**(644)**	(17)
Expected credit loss on trade and other receivables	6(d)	**58,754**	52,623
Net gains on disposal of property, plant and equipment and right-of-use assets	5	**(3,219)**	(12,941)
Foreign exchange losses	5	**146**	242
Impairment of property, plant and equipment and right-of-use assets	5	**4,368**	–
Changes in working capital:			
(Increase)/decrease in inventories		**(43)**	183
Increase in trade and other receivables, and prepayments		**(67,809)**	(137,964)
Decrease/(increase) in restricted cash		**3,612**	(4,283)
Increase/(decrease) in contract liabilities		**38,910**	(8,734)
Increase in trade and other payables		**92,885**	14,772
Decrease in defined benefit obligations		**(3,372)**	(3,901)
Cash generated from operations		**274,562**	78,795

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

Lease liabilities	**2024** **RMB'000**	2023 RMB'000
At 1 January	**115,504**	1,136
Changes from financing cash flows:		
Capital element of lease rentals paid	**(3,150)**	(3,176)
Interest element of lease rentals paid	**(455)**	(705)
Total changes from financing cash flows	**(3,605)**	(3,881)
Other changes:		
Increase in lease liabilities	**18,335**	117,544
Finance costs (Note 6(b))	**3,566**	705
Total other changes	**21,901**	118,249
At 31 December	**133,800**	115,504

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2024 **RMB'000**	2023 RMB'000
Within operating cash flows (Note 12(a))	**(10,637)**	(11,558)
Within financing cash flows	**(3,605)**	(3,881)
	(14,242)	(15,439)

These amounts relate to the following:

	2024 **RMB'000**	2023 RMB'000
Lease rentals paid	**(14,242)**	(15,439)

20 TRADE AND OTHER PAYABLES

The Group

	2024	2023
	RMB'000	RMB'000
Trade payables		
– related parties (Note 29(c))	**39,309**	42,087
– third parties	**561,654**	440,778
	600,963	482,865
Amounts due to related parties	**8,064**	24,044
Accrued payroll and other benefits	**20,071**	20,296
Other taxes and charges payable	**52,393**	51,327
Deposits (Note (i))	**62,875**	67,865
Receipts on behalf of property owners and tenants (Note (ii))	**80,017**	81,742
Housing maintenance funds payable (Note (iii))	**156,376**	184,633
Other payables and accruals	**67,067**	59,461
	446,863	489,368
	1,047,826	972,233

20 TRADE AND OTHER PAYABLES *(Continued)*

The Company

	2024 RMB'000	2023 RMB'000
Trade payables		
– related parties	**1,378**	54,472
– third parties	**15,066**	19,460
	16,444	73,932
Amounts due to subsidiaries	**1,047,008**	640,554
Accrued payroll and other benefits	**1,250**	386
Other taxes and charges payable	**3,151**	944
Other payables and accruals	**6,985**	642
	1,058,394	642,526
	1,074,838	716,458

Notes:

(i) Deposits mainly represent the deposits paid by the property owners and tenants for property management and refurbishment.

(ii) 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.

(iii) Housing maintenance funds payable mainly represents the housing maintenance funds Beiyu Property received from Beijing Uni.-Construction Group Co., Ltd. ("BUCC"). Pursuant to related regulations and instructions from BUCC, Beiyu Property received the housing maintenance funds from BUCC in connection with the transfer of property management service on certain residential properties, which are properties built prior to the adoption of public housing maintenance fund policy issued by related government authorities in the 1990's. The funds are to be used along with the repair and overhaul of related properties in accordance with related regulations and instructions from BUCC.

(iv) 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.

20 TRADE AND OTHER PAYABLES *(Continued)*

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

	2024	2023
	RMB'000	RMB'000
Within 1 year	**505,356**	458,998
1 to 2 years	**87,556**	13,802
2 to 3 years	**6,987**	9,347
Over 3 years	**1,064**	718
	600,963	482,865

21 CONTRACT LIABILITIES

	2024	2023
	RMB'000	RMB'000
Billings in advance of performance		
– related parties (Note 29(c))	**366**	55
– third parties	**335,377**	296,778
	335,743	296,833

21 CONTRACT LIABILITIES *(Continued)*

Movements in contract liabilities

	2024 **RMB'000**	2023 RMB'000
Balance at 1 January	**296,833**	305,567
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(293,564)**	(287,038)
Increase in contract liabilities as a result of receiving advance payments during the year	**332,474**	278,304
Balance at 31 December	**335,743**	296,833

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 RMB2,014,876 (2023: RMB2,625,000).

22 LEASE LIABILITIES

At 31 December 2024, the lease liabilities were repayable as follows:

	2024 **RMB'000**	2023 RMB'000
Within 1 year	**108,767**	95,213
After 1 year but within 2 years	**10,028**	6,409
After 2 years but within 5 years	**15,005**	13,882
	25,033	20,291
	133,800	115,504

23 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 2024 and 2023 were carried out by an independent firm of actuaries, 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:

	2024	2023
	RMB'000	RMB'000
Present value of the defined benefit obligations	**66,359**	68,684

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 RMB2,500,000 to defined benefit retirement plans in 2025.

(b) Movements in the present value of the defined benefit obligations

	2024	2023
	RMB'000	RMB'000
At 1 January	**68,684**	69,663
Remeasurements:		
– actuarial losses arising from changes in financial assumptions	**(794)**	896
Benefits paid by the Group	**(2,111)**	(2,344)
Current service cost	**(1,261)**	(1,557)
Interest cost	**1,841**	2,026
At 31 December	**66,359**	68,684

23 DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

(c) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2024 RMB'000	2023 RMB'000
Current service cost	**(1,261)**	(1,557)
Interest on defined benefit obligations	**1,841**	2,026
Total amounts recognised in profit or loss	**580**	469
Actuarial losses	**(794)**	896
Total amounts recognised in other comprehensive income	**(794)**	896
Total defined benefit costs	**(214)**	1,365

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:

	2024 RMB'000	2023 RMB'000
Administrative expenses	**(1,261)**	(1,557)
Finance costs	**1,841**	2,026
	580	469

(Expressed in RMB unless otherwise indicated)

23 DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

(d) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2024	2023
Discount rate – post-employment benefits	**2.00%**	2.75%
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)

During the reporting period, the weighted-average duration of post-employment benefits and termination benefits of the defined benefit obligations was 18.5 years and 2 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	
	2024 RMB'000	2023 RMB'000
Discount rate		
– increase by 0.25%	**(2,842)**	(2,850)
– decrease by 0.25%	**3,053**	3,057
Annual withdrawal rate		
– increase by 1%	**(2,078)**	(1,928)
– decrease by 1%	**2,466**	2,236
Annual increase rate of medical benefits		
– increase by 1%	**8,631**	9,027
– decrease by 1%	**(6,454)**	(6,805)

24 CASH-SETTLED SHARE APPRECIATION RIGHTS

(a) Description of cash-settled share appreciation rights

The Group implemented a share appreciation rights scheme for members of its management to provide incentives to them. Under this plan, share appreciation rights ("SAR") are granted in units with each unit representing one H share. No shares will be issued under the share appreciation rights scheme. Upon exercise of the SARs, a recipient will receive, subject to any applicable withholding tax, a cash payment in RMB, translated from the Hong Kong dollars amount equal to the product of the number of SARs exercised and the difference between the exercise price and market price of the Company's H shares at the date of exercise based on the applicable exchange rate between RMB and Hong Kong dollars at the date of the exercise. The Company recognises compensation expense of the SARs over the applicable vesting period.

On 19 December 2023, the Company granted 3,420,000 SARs to employees that entitle them to a cash payment after two years of service. Subject to the satisfaction of the exercise conditions, the SARs shall take effect in three batches in proportion to 34%, 33%, and 33% by the end of the second anniversary, the third anniversary and the fourth anniversary from the grant date and expire at the end of the third anniversary, the fourth anniversary and the fifth anniversary after grant date, respectively. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

Details of the liabilities arising from the SARs were follows.

	2024 **RMB'000**	2023 RMB'000
Total carrying amount of liabilities for SARs	**851**	31

24 CASH-SETTLED SHARE APPRECIATION RIGHTS *(Continued)*

(b) Measurement of fair value

The fair value of the SARs has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the SARs were as follows.

	31 December 2024	31 December 2023
Fair value at measurement date	**RMB0.82**	RMB1.03
Share price	**RMB3.09**	RMB3.51
Exercise price	**RMB3.36**	RMB3.36
Expected volatility (weighted average)	**38.20%**	33.40%
Expected life (weighted average)	**3.5 years**	3.5 years
Expected dividends	**0%**	0%
Risk-free interest rate (based on government bonds)	**1.21%**	2.29%

The expected volatility has been based on an evaluation of the historic volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

None of the SARs have been vested as at 31 December 2024. The options outstanding at 31 December 2024 had an exercise price of RMB3.36 (2023: RMB3.36) and a weighted-average remaining contractual life of 2.95 years (2023: 3.95 years).

25 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2024 RMB'000	2023 RMB'000
PRC Corporate Income Tax		
At 1 January	**25,316**	12,716
Charged to profit or loss	**44,023**	51,499
Payments during the year	**(44,509)**	(38,899)
At 31 December	**24,830**	25,316

25 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 and impairment on property property, plant and equipment and right-of-use assets RMB'000	Defined benefit obligations RMB'000	Tax Loss RMB'000	Accrued expenses RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Revaluation of investment properties RMB'000	Revaluation of financial assets RMB'000	Fair value adjustments on property, plant and equipment and intangible assets and related depreciation and amortisation RMB'000	Total RMB'000
At 1 January 2023	21,084	17,416	118	618	(247)	48	(32,794)	4,791	(1,330)	9,704
Credited/(charged) to profit or loss	12,733	(470)	2,460	(271)	(31,428)	31,800	(62)	–	369	15,131
Credited to other comprehensive income	–	224	–	–	–	–	–	3,296	–	3,520
At 31 December 2023 and 1 January 2024	33,817	17,170	2,578	347	(31,675)	31,848	(32,856)	8,087	(961)	28,355
Credited/(charged) to profit or loss	15,473	145	(187)	(214)	1,513	834	116	–	321	18,001
(Charged)/credited to other comprehensive income	–	(199)	–	–	–	–	–	3,420	–	3,221
At 31 December 2024	**49,290**	**17,116**	**2,391**	**133**	**(30,162)**	**32,682**	**(32,740)**	**11,507**	**(640)**	**49,577**

(ii) Reconciliation to the consolidated statement of financial position

	2024 RMB'000	2023 RMB'000
Net deferred tax asset recognised in the consolidated statements of financial position	**82,957**	61,999
Net deferred tax liability recognised in the consolidated statements of financial position	**(33,380)**	(33,644)
	49,577	28,355

26 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	Statutory surplus reserve RMB'000	Defined benefit obligation remeasurement reserve RMB'000	Retained profits/ (accumulated losses) RMB'000	Total RMB'000
Balance at 1 January 2023	146,667	942,782	2,711	(574)	1,213	1,092,799
Changes in equity for 2023:						
Profit for the year	–	–	–	–	29,586	29,586
Other comprehensive income	–	–	–	(138)	–	(138)
Total comprehensive income	–	–	–	(138)	29,586	29,448
Appropriation to statutory reserve	–	–	2,959	–	(2,959)	–
Dividends declared in respect of the previous years (Note 26(c))	–	–	–	–	(31,900)	(31,900)
Balance at 31 December 2023 and 1 January 2024	146,667	942,782	5,670	(712)	(4,060)	1,090,347
Changes in equity for 2024:						
Profit for the year	–	–	–	–	39,442	39,442
Other comprehensive income	–	–	–	(682)	–	(682)
Total comprehensive income	–	–	–	(682)	39,442	38,760
Appropriation to statutory reserve	–	–	3,944	–	(3,944)	–
Dividends declared in respect of the previous years (Note 26(c))	–	–	–	–	(31,049)	(31,049)
Balance at 31 December 2024	146,667	942,782	9,614	(1,394)	389	1,098,058

26 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(b) Share capital

	At 31 December 2024		At 31 December 2023	
	No. of shares	**RMB'000**	No. of shares	RMB'000
Ordinary shares, issued and fully paid	**146,667,000**	**146,667**	146,667,000	146,667

(c) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2024 **RMB'000**	2023 RMB'000
Final dividend proposed after the end of the reporting period of RMB14.52 cents (2023: RMB21.17 cents) per ordinary share	**21,296**	31,049

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) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2024 **RMB'000**	2023 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB21.17 cents per ordinary share (2023: RMB21.75 cents)	**31,049**	31,900

26 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(d) Nature and purpose of reserves

(i) Capital reserve

Capital reserve balance mainly represents:

– 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 2024 and 2023, appropriation to surplus reserve made by the Company's subsidiaries amounting to RMB71,037,000 and RMB66,301,000 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.

(Expressed in RMB unless otherwise indicated)

26 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS *(Continued)*

(e) Non-controlling interests ("NCI")

The following table lists out the information relating to Tiannuo Property, the subsidiary of the Group which has a material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	2024	2023
NCI percentage	**50%**	50%
Current assets	**110,191**	93,490
Non-current assets	**12,509**	13,892
Current liabilities	**(80,072)**	(65,201)
Non-current liabilities	**(689)**	(745)
Net assets	**41,939**	41,436
Carrying amount of NCI	**20,970**	20,718
Revenue	**161,264**	157,493
Profit for the year	**655**	484
Total comprehensive income	**655**	484
Profit allocated to NCI	**328**	242
Dividend paid to NCI	**76**	386

(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.

27 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, 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 RMB1,029,000 (2023: RMB1,030,000) 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, which is calculated using a provision matrix. 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. Normally, the Group does not obtain collateral from customers.

27 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 2024 and 2023.

	2024			2023		
	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	**1.63%**	**305,658**	**(4,994)**	0.10%	262,945	(263)
Third parties						
Within 1 year	**10.20%**	**255,612**	**(26,069)**	7.34%	315,023	(23,115)
1 – 2 years	**28.42%**	**120,620**	**(34,280)**	25.28%	120,641	(30,494)
2 – 3 years	**40.45%**	**80,450**	**(32,540)**	36.10%	82,931	(29,938)
3 – 4 years	**57.13%**	**66,855**	**(38,195)**	55.62%	42,526	(23,654)
4 – 5 years	**82.18%**	**36,426**	**(29,935)**	79.81%	12,687	(10,125)
Over 5 years	**100.00%**	**29,395**	**(29,395)**	100.00%	19,064	(19,064)
		895,016	**(195,408)**		855,817	(136,653)

Expected loss rates are based on actual loss experience over the past 5 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 2024, trade receivables from third parties accounted for 65.8% (2023: 69.3%) of the total trade receivables. Loss allowances are calculated based on the ECL rates and reflected the increase in trade receivables from third parties during the reporting period.

(Expressed in RMB unless otherwise indicated)

27 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.

	2024					2023				
	Contractual undiscounted cash outflow					Contractual undiscounted cash outflow				
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	**1,047,826**	**-**	**-**	**1,047,826**	**1,047,826**	972,233	–	–	972,233	972,233
Lease liabilities	**109,626**	**10,976**	**15,515**	**136,117**	**133,800**	99,092	7,075	14,596	120,763	115,504
	1,157,452	**10,976**	**15,515**	**1,183,943**	**1,181,626**	1,071,325	7,075	14,596	1,092,996	1,087,737

(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.

27 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 interim and annual reporting date and is reviewed and approved by the chief accountant. Discussion of the valuation process and results with the chief accountant is held twice a year, to coincide with the reporting dates.

	Fair value hierarchy	Fair value at 31 December	
		2024	2023
		RMB'000	RMB'000
Recurring fair value measurements			
Other financial assets			
– Equity investments designated at FVOCI	Level 3	**45,714**	59,396

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: 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.

27 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 reporting date.	Income approach and market approach The key inputs are: – Capitalisation rate; – Unit rent of individual unit; – Market price	Capitalisation rate: 6.47% – 7.10% (2023: 5.52% – 7.02%)	The higher the capitalisation rate, the lower the market value
		Unit rent per sq.m. per month: RMB36 – RMB116 (2023: RMB75 – RMB116)	The higher the unit rent, the higher the market value
		Market price per sq.m.: RMB12,690 – RMB69,300 (2023: RMB13,490 – RMB77,138)	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:

	2024 RMB'000	2023 RMB'000
Fair value		
At 1 January	**59,396**	72,580
Change in fair value	**(13,682)**	(13,184)
At 31 December	**45,714**	59,396

27 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	
	2024	2023
	RMB'000	RMB'000
Capitalisation rate		
– increase by 0.25%	**(153)**	(1,516)
– decrease by 0.25%	**155**	1,577
Unit rent per sq.m. per month		
– increase by 1%	**33**	578
– decrease by 1%	**(33)**	(578)
Market price per sq.m.		
– increase by 1%	**1,318**	897
– decrease by 1%	**(1,317)**	(897)

(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 2024 and 2023.

28 CONTINGENT ASSETS AND LIABILITIES

The Group did not have any material contingent assets or liabilities as at 31 December 2024 (2023: nil).

(Expressed in RMB unless otherwise indicated)

29 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:

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	**8,472**	8,494
Post-employment benefits	**930**	1,022
Cash-settled share-based payments	**276**	11
	9,678	9,527

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	2024 RMB'000	2023 RMB'000
Provision of services		
– The BUCG Group	**320,292**	342,984
– Associates of the BUCG Group	**14,747**	10,625
Receiving services		
– The BUCG Group	**11,578**	26,060
– Associates of the BUCG Group	**230**	–
Rental income		
– The BUCG Group	**9,002**	20,711
Rental expenses		
– The BUCG Group	**23,344**	14,889
Acquisition of right-of-use assets (Note 12(a)(i))		
– The BUCG Group	**–**	122,980
– Associates of the BUCG Group	**7,581**	–
Deposit paid		
– The BUCG Group	**–**	19,270

(Expressed in RMB unless otherwise indicated)

29 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Balances with related parties:

	2024 RMB'000	2023 RMB'000
Trade nature		
Prepayments and trade receivables		
– The BUCG Group	**299,897**	262,700
– Associates of the BUCG Group	**5,761**	245
Trade payables		
– The BUCG Group	**39,309**	42,087
Contract liabilities		
– The BUCG Group	**366**	55
Lease liabilities		
– The BUCG Group	**14,778**	14,852
Non-trade nature		
Other receivables		
– The BUCG Group	**16,018**	24,033
Other payables		
– The BUCG Group	**8,064**	24,044

As at 31 December 2024, other receivables due from related parties are unsecured and interest-free.

29 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 material 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
Beijing Urban Construction Investment & Development Co., Ltd.* 北京城建投資發展股份有限公司	Shareholder of the Company, which is controlled by BUCG
Beijing Urban Construction Xinghua Real Estate Co., Ltd.* 北京城建興華地產有限公司	Company 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
Tianjin Capital Investment & Development Co., Ltd.* 天津京城投資開發有限公司	Company controlled by BUCG
Beijing Hengqi Investment Management Co., Ltd.* 北京衡其投資管理有限責任公司	Company controlled by BUCG
Beijing Urban Construction 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 Chengdu Real Estate Co., Ltd.* 北京城建成都地產有限公司	Company controlled by BUCG

(Expressed in RMB unless otherwise indicated)

29 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 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
Youxian Taoshui Townlong Springs Factory* 北京城建重慶地產有限公司	Company controlled by BUCG
Beijing Chengao Real Estate Co., Ltd. 北京城奧置業有限公司	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
Tianjin Jingbao Real Estate Co., Ltd.* 天津京寶置業有限公司	Company controlled by BUCG
Beijing Donghu Real Estate Co.,Ltd.* 北京市東湖房地產有限公司	Company controlled by BUCG

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

(Expressed in RMB unless otherwise indicated)

30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 December 2024 RMB'000**	As at 31 December 2023 RMB'000
Non-current assets			
Investments in subsidiaries	14	**850,820**	849,320
Property, plant and equipment and right-of-use assets		**56,462**	56,835
Intangible assets		**5,438**	5,457
Investment in an associate	16	**4,261**	3,617
Deferred tax assets		**3,898**	4,203
		920,879	919,432
Current assets			
Inventories		**121**	–
Cash and cash equivalents	19(a)	**1,215,000**	816,637
Prepayments, trade and other receivables		**66,683**	81,882
		1,281,804	898,519
Current liabilities			
Trade and other payables	20	**1,074,838**	716,458
Contract liabilities		**826**	–
Lease liabilities		**7,812**	734
		1,083,476	717,192
Net current assets		**198,328**	181,327
Total assets less current liabilities		**1,119,207**	1,100,759
Non-current liabilities			
Lease liabilities		**16,949**	7,073
Defined benefit obligations		**4,200**	3,339
		21,149	10,412
NET ASSETS		**1,098,058**	1,090,347
CAPITAL AND RESERVES	26		
Share capital		**146,667**	146,667
Reserves		**951,391**	943,680
TOTAL EQUITY		**1,098,058**	1,090,347

Approved and authorised for issue by the board of directors on 28 March 2025.

Name: Zhang Weize
Position: Chairman of the Board

Name: Yang Jun
Position: Director

(Expressed in RMB unless otherwise indicated)

31 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 28 March 2025, the directors of the Company proposed a final dividend. Further details are disclosed in Note 26(c).

32 IMMEDIATE AND ULTIMATE HOLDING COMPANY

As at 31 December 2024, 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.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 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
Amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

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.

BUCG