BUCG

北京京城佳業物業股份有限公司

BEIJING CAPITAL JIAYE PROPERTY SERVICES CO., LIMITED

（於中華人民共和國註冊成立的股份有限公司）
(A joint stock company incorporated in the People's Republic of China with limited liability)

股份代號 Stock Code : 2210

2023

年度報告

ANNUAL REPORT

CONTENTS

I. Corporation Information

Beijing Capital Jiaye Property Services Co., Limited ("**Capital Jiaye**" or the "**Company**") was jointly founded by Beijing Urban Construction Group Co., Ltd. ("**BUCG**", 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.

Capital Jiaye and its subsidiaries (the "**Group**" or "**we**") have three main service lines, namely the property management services, value-added services to non-property owners and community value-added services. As of 31 December 2023, the Group expanded its presence in 12 provinces, centrally-administered municipalities and autonomous regions. As of 31 December 2023, the Group had more than 41.4 million sq.m. of area under its management and operated a range of properties, including residential, commercial, hutong, public and other properties, as well as project types, covering office buildings, public buildings, scientific research institutes, medical care apartments, theatres and venues, subway stations, residences, and office buildings of party or government organizations, etc. Representative projects include the National Stadium (Bird's Nest), office buildings in the sub-center of Beijing, headquarters of large central enterprises, hutongs in the east and west of Beijing, etc. In addition to the basic business, the value-added business covers housing brokerage, case field service, property management on construction sites, catering services, heating energy supply operation, move-in and furnishing services and community elderly care business, 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, the Group was awarded the titles of "2023 China's Top 100 Property Management Companies" (2023中國物業服務百強企業), "2023 China's Top 100 Property Management Companies Leading in Satisfaction" (2023中國物業服務百強滿意度領先企業), "2023 China's Top 100 Property Management Companies Leading in Growth" (2023中國物業服務百強企業成長性領先企業), "China's Socially Responsible Property Management Services Enterprise of the Year in 2023" (2023中國物業服務年度社會責任感企業), "China Property Management Services Enterprise Featured Brand in 2023 – Property Management Services for Construction Sites" (2023中國特色物業服務領先企業－施工現場物業化), "2023 China's Top 4 Listed Property Management Companies in terms of Investment Potential" (2023中國上市物企投資潛力TOP4), "2023 China's Top 5 Listed Property Management Companies in terms of Growth Rate" (2023中國上市物企增長速度TOP5), "2023 China's Top 10 State-Owned Listed Property Management Companies" (9th) (2023中國國資上市物業10強(第9名)), "2023 China's Top 20 State-Owned Property Management Companies in terms of Comprehensive Strength" (2023中國國有物業服務企業綜合實力20強), and "2023 China Leading Enterprise in Administrative and Office Property Management" (2023中國行政辦公物業服務領先企業). It ranked 19th among China's Top 100 Property Management Companies in 2023, further enhancing its brand value and influence.

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

Non-executive Directors

Ms. Jiang Xin
Mr. Mao Lei

Independent Non-executive Directors

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

BOARD COMMITTEE

Audit Committee

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

SUPERVISORY COMMITTEE

Mr. Liu Fengyuan *(Chairman)*
Mr. Wang Wei *(resigned on 12 May 2023)*
Mr. Yang Nan *(appointed on 12 May 2023 and resigned on 19 December 2023)*
Mr. Hu Mingkai *(appointed on 19 December 2023)*
Ms. Liu Fang

JOINT COMPANY SECRETARIES

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

AUTHORIZED REPRESENTATIVES

Mr. Zhang Weize
Ms. Mok Ming Wai

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 ADVISER

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

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

PRINCIPAL BANK

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

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong

H SHARE REGISTRAR

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

INVESTOR RELATIONS

Email: 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	
	2023	2022
Revenue (RMB million)	**1,829.4**	1,567.2
Gross profit (RMB million)	**376.4**	347.3
Gross profit margin	**20.6%**	22.2%
Profit for the year (RMB million)	**115.7**	115.2
Net profit margin	**6.3%**	7.4%
Profit for the year attributable to equity shareholders of the Company (RMB million)	**113.6**	114.2
Basic earnings per share (RMB)	**0.77**	0.78
Return on Shareholders' equity (weighted average)	**14.1%**	15.5%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2023	2022
Total assets (RMB million)	**2,367.4**	2,179.5
Cash and cash equivalents (RMB million)	**1,105.2**	1,140.7
Total equity (RMB million)	**855.2**	782.4

II. Financial Summary and Five Year Financial Summary

RECENT FIVE YEAR FINANCIAL SUMMARY

	For the year ended 31 December				
	2019	2020	2021	2022	**2023**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	1,045,413	1,090,554	1,224,584	1,567,164	**1,829,381**
Cost of sales	(838,255)	(864,080)	(951,935)	(1,219,859)	**(1,453,000)**
Gross profit	207,158	226,474	272,649	347,305	**376,381**
Profit for the year	51,119	68,757	84,147	115,167	**115,688**
Other comprehensive income for the year, net of tax	5,421	916	(1,011)	(18,418)	**(10,560)**
Total comprehensive income for the year	56,540	69,673	83,136	96,749	**105,128**
Profit attributable to:					
Equity shareholders of the Company	37,932	57,504	82,753	114,200	**113,594**
Non-controlling interests	13,187	11,253	1,394	967	**2,094**
Earnings per share, basic and diluted (RMB)	N/A	0.56	0.72	0.78	**0.77**

	At 31 December				
	2019	2020	2021	2022	**2023**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Assets					
Non-current assets	427,401	254,415	269,682	299,058	**455,571**
Current assets	1,141,461	1,327,816	1,561,458	1,880,398	**1,911,854**
Total assets	1,568,862	1,582,231	1,831,140	2,179,456	**2,367,425**
Equity and liabilities					
Total equity	489,688	414,122	704,207	782,369	**855,211**
Non-current liabilities	121,149	94,540	101,152	104,476	**122,619**
Current liabilities	958,025	1,073,569	1,025,781	1,292,611	**1,389,595**
Total liabilities	1,079,174	1,168,109	1,126,933	1,397,087	**1,512,214**
Total equity and liabilities	1,568,862	1,582,231	1,831,140	2,179,456	**2,367,425**

III. Chairman's Statement

Dear Shareholders,

I am delighted to present the annual report of the Group for the year ended 31 December 2023 (the "**Reporting Period**"):

2023 marked the first year to follow through the guideline of the 20th National Congress of the Communist Party of China (CPC) and a crucial year for implementing the "14th Five-Year Plan", as well as an important year for Capital Jiaye to explore its high-quality development as a listed company. In response to the pressures of economic downturn and the challenges of the capital market, the Company has unwaveringly implemented the various directives of higher-level authorities, adhering steadfastly to the principles of "strengthening the foundation to consolidate governance capabilities; focusing on core businesses to enhance competitiveness; nurturing growth areas to improve innovation capabilities; enhancing resilience to increase risk resistance; prioritizing efficiency to enhance returns". As a result, the Company has achieved steady growth in operational scale and witnessed a consistent improvement in operational quality and effectiveness.

With a steadfast commitment to strategic leadership, the Group has achieved ongoing growth in performance, while continuously strengthening the foundation to ensure "stability". In terms of development scale, the Group has expanded its presence to 12 provinces, centrally-administered municipalities and autonomous regions across the country, with the area under management of 41.4 million sq.m., a contracted area of more than 43.3 million sq.m. and a total of 260 projects. In terms of development quality, the Group continuously strengthened its management through standardization, intensification, refinement and digitalization to promote quality enhancement and efficiency improvement. In terms of comprehensive strength, the Group fulfilled its responsibilities as a leading state-owned enterprise in the capital, gradually increasing our industry influence. During the Reporting Period, the Group achieved historical highs in management scale and revenue, further boosting its confidence in development.

Seizing market opportunities, the Group has continued to expand its management scale, accumulating momentum for "progress". The Group adhered to multidimensional and quality-oriented scale expansion, undertook several key and iconic projects, including Peking University Health Science Center and the National Tennis Center, and secured the bid for the Beijing Urban Sub-center Office Area Phase II, contributing to the continuous expansion of the management area in the sub-center project group. The area of government public buildings, socialized service projects for military logistic support and scientific research institutes under the Group's management exceeded one million square meters. The Group's development pattern has initially taken shape in terms of business format, scenarios and domains, further laying the foundation for scaled development.

With meticulous craftsmanship, the Group forges quality and continuously polishes its service brand, unleashing "new" expectations. The Group has undertaken extensive actions to enhance quality and continuously perfect our value-added service system. The Group's value-added service platform "Jia Xiang Hui*" (佳享薈) is gradually enriched, and the "Property + Elderly" model is progressively promoted. The Group remained committed to empowering its operations with technology, with the integration of business and financial systems going online and operational. The Group has engaged with industry associations, think tanks, and public investors, making appearances at events such as the 2023 China International Fair for Trade in Services (2023中國國際服務貿易交易會), the 9th China (Beijing) International Aged Industry Expo and the 4th China International Senior Care Expo (第九屆北京國際老齡產業博覽會暨第四屆中國國際養老產業博覽會), and the 2023 China International Property Management Industry Expo (2023中國國際物業管理產業博覽會). During the Reporting Period, the Group received various awards, including the "Top 100 Property Management Companies Leading in Satisfaction", and our ranking on the 2023 China's Top 100 Property Management Companies list climbed to 19th place, further enhancing our brand influence.

III. Chairman's Statement

By firmly establishing risk management as a priority, the Group continuously enhances operational control, enhancing the value of "excellence". The Group has initially established an internal control, compliance and risk management system that complies with state-owned assets regulation and listed company requirements. The Group established a comprehensive security framework to effectively prevent and control various safety and operational risks. The Group carried out targeted actions to improve accounts receivable and enhanced mechanisms to eliminate unprofitable and inefficient projects. The Group intensified research efforts on innovative development, receiving recognition through the Beijing Management Innovation Achievement Award (北京市管理創新成果獎) and the Group's Innovation Achievement Commendation. During the Reporting Period, we received official approval on the Share Appreciation Rights Incentive Scheme from the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (Beijing SASAC) and the initial grant was completed. The Group actively practiced sustainable development principles and was selected as an excellent case in the "ESG Blue Book for Municipal State-owned Listed Companies《市屬國有控股上市公司 ESG 藍皮書》" published by the Beijing SASAC, further solidifying its development foundation.

By deeply integrating into the overall development plan, and efficiently coordinating with the Group's industrial chain, the Group gradually demonstrates the "tangible" synergistic effects. During the Reporting Period, the Group facilitated the achievement of seamless integration in project investment, construction and operation, such as the Qingdao Citizen Center, Beijing Cheng'ao Building (城奧大廈), and Beitou Building. The Group has made every effort to provide support and services to the real estate sector of BUCG Group, conducting activities such as sales office services, pre-access and property inspection upon delivery. The Group also carried out sales and/or leasing of existing carpark spaces to assist in reducing inventory levels in the real estate sector of BUCG Group. The Group continued to deepen our collaboration in the urban construction engineering segment, ensuring that standardized services are implemented throughout the entire construction site management process.

Upholding the guidance of Party building and advancing strict governance of the Party, the Group continues to pass on the "red" genes. The Group diligently carried out thematic education with a focus on Party building in property management and grassroots governance, aiming for full coverage of Party organizations and members in property management projects. The Group strengthened the construction of cadres and talent teams and actively participated in the 7th Enterprise Culture Week of BUCG Group. The Group hosted the BUCG Group's Site Property Labor Competition (工地物業化勞動競賽) and the Youth Forum, and won a total of 10 medals, including six gold, two silver, and two bronze medals, in the 7th Staff Sports Games of the Group. The Group was awarded the "Capital Labor Award" (首都勞動獎狀), and the Dongcheng Urban Service Center (東城城市服務中心) was honored as a "National May 1st Model for Women's Excellence" (全國五一巾幗標兵崗).

Looking ahead to 2024, while continuously upholding strategic stamina and persisting in the main theme of "seeking progress while maintaining stability, promoting stability through progress, and establishing the new before abolishing the old", and adhering to the development idea of "expanding scale, increasing efficiency, strengthening management and building brand", the Company will strive to achieve both economic and social benefits through a coordinated approach to quality improvement and reasonable growth, in compliance with the Listing Rules and regulatory requirements of the property management industry. In addition, we are committed to implementing the national and capital development strategies to ensure our red services support national and public livelihoods through our strategic business decisions, and innovation and upgrading of property management. Furthermore, we are determined to accelerate the development of new productive forces as required, maximizing the Company's value through capital operations, and taking on the mission of business transformation as a state-owned enterprise in the capital. Guided by customer satisfaction, driven by employee satisfaction, and oriented to shareholder satisfaction, we will shape a new landscape through our effort and write a new chapter through our practical work and dedication. To achieve these, we will continue to maintain the aggressive and progressive posture that prompts the Company to realize faster, more robust, more efficient, and higher quality development, and strive for our strategic goal of morphing into "a provider of China's best-in-class urban and lifestyle services".

Finally, I hereby express my sincere gratitude to our Shareholders and business partners for their support and trust, and to our management team and all employees for their perseverance and dedication.

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

Beijing, the PRC
27 March 2024

IV. Management Discussion and Analysis

INDUSTRY ANALYSIS

Amidst the changing landscape of the real estate industry, property management companies are adapting their strategies to focus more on the sustainability and certainty of their growth logic, rather than simply pursuing aggressive business expansion and placing emphasis on extensive business layout and rapid scale-up, as seen in previous years. They are now prioritizing the enhancement of growth quality while directing their efforts towards areas that capitalize on their unique strengths, aiming to build a formidable competitive position. As a result, the trajectory of their business development is gradually becoming clearer, leading to an increasing divergence among enterprises.

Industry level: The industry as a whole is bidding farewell to an era of high growth, high profit margins and high valuations, and stepped into a period of adjustment where the development logic shifts from an extensive approach to a more refined one, moving away from the mindset of "scale matters" to a focus on the "synergy between quality and speed". The property management industry retains its attributes of being asset-light, cash-rich, and resilient to economic cycles. As a crucial lever for grassroots social governance and a new force in public services, the industry is now presented with development opportunities driven by policy support, technological innovation and consumer upgrading, indicating significant growth prospects and untapped potential.

Business level: Business diversification strategy is an important approach for property service enterprises to undergo strategic transformation, enabling them to reduce market risks and decrease dependence on specific markets. By expanding their scope of services, these enterprises can provide comprehensive services to customers, enhance customer satisfaction, establish a strong corporate reputation, broaden profit sources, and achieve sustainable and stable profit growth.

Financial level: External macroeconomic fluctuations have a significant impact on businesses, with a prominent phenomenon of revenue growth not translating into profit growth. Gross profit margin has converged, while reliance on the parent company continues to decrease. As the gap in gross profit margins continuously narrows among companies in similar businesses, their independence continues to improve, and expense ratios remain stable or decline. The property management industry has transitioned into a more rational phase of development, with sustained investment value becoming increasingly apparent.

IV. Management Discussion and Analysis

BUSINESS REVIEW

The Group's revenue comes from three main service lines, 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 61.8% of total revenue

For the year ended 31 December 2023, the Group's revenue from property management services amounted to approximately RMB1,131.3 million, representing an increase of approximately 20.9% as compared with the same period in 2022, mainly due to the increase in the number of property projects and area under management of the Group. In 2023, the Group capitalized on market opportunities and continued to expand its management scale, with a newly signed annualized contract amount of RMB569 million, representing a year-on-year increase of 57.8%. The Group successfully secured a total of 47 new fully entrusted projects, of which 41 were third-party projects, accounting for 87.2% of the total. The independent outward expansion capability of the Group was further enhanced. Building upon its foundation in residential property management, the Group maintained its core advantage in government public construction and expanded its service radius. The Group deepened its presence in government public construction, socialized service projects for military logistic support, scientific research institutions, and other sectors, with the area under management exceeds 1 million sq.m. The Group achieved significant progress in multiple iconic projects, including the Beijing Urban Sub-center Office Area Phase II, Citizen Center in Xihaian New Area of Qingdao, Tsinghua University Hydraulic Engineering Department project, Beijing Institute of Fashion Technology, Peking University Health Science Center and National Tennis Center. Our joint ventures Beijing Jiaye Qinglong Property Management Co., Ltd.* (北京佳業慶隆物業管理有限責任公司) and Jiaye Tourism (Hainan) City Service Co., Ltd.* (佳業旅文(海南)城市服務有限責任公司) and our associate company Beijing Huairou Science City Property Services Co., Ltd.* (北京懷柔科學城物業服務有限公司) continued to expand their scale of projects under management, creating a regional clustering effect. In 2023, the Group's revenue derived from non-residential properties management services accounted for 51.7% of the total revenue, surpassing that from residential properties management services.

The following table sets forth the breakdown and changes in the contract management area of the Group by project source for the dates indicated:

	As of 31 December					
	2023		2022			
Project source	**Contract management area sq.m.'000**	**Proportion of contract management area %**	Contract management area sq.m.'000	Proportion of contract management area %	Area increased during the Reporting Period sq.m.'000	Growth rate %
BUCG Group and its joint ventures or associates	**23,443**	**54.1**	22,416	57.2	1,027	4.6
Third parties	**19,874**	**45.9**	16,779	42.8	3,095	18.4
Total	**43,317**	**100.0**	39,195	100.0	4,122	10.5

IV. Management Discussion and Analysis

As of 31 December 2023, the contract management area of the Group amounted to approximately 43.3 million sq.m. in total, representing a year-on-year increase of approximately 10.5%, of which the contract management area from projects of BUCG Group and its joint ventures or associates amounted to approximately 23.4 million sq.m., and the contract management area from third party projects amounted to approximately 19.9 million sq.m., representing a year-on-year increase of approximately 18.4% in the contract management area from third parties. The increase was mainly due to the Group's full efforts in exploring external markets, continuous improvement of its marketing system, active exploration and research of new media marketing methods, and strengthening of incentives for market expansion.

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

	As of 31 December					
	2023			2022		
Project source	**Area under management**		**The number of projects under management**	Area under management		The number of projects under management
	sq.m.'000	**%**		sq.m.'000	%	
BUCG Group and its joint ventures or associates	**21,665**	**52.4**	**142**	20,153	54.6	134
Third parties	**19,688**	**47.6**	**118**	16,727	45.4	92
Total	**41,353**	**100.0**	**260**	36,880	100.0	226

As of 31 December 2023, the area under management of the Group amounted to approximately 41.4 million sq.m., representing a year-on-year increase of approximately 12.1%, of which the area under management from BUCG Group and its joint ventures or associates amounted to approximately 21.7 million sq.m., and the area under management from third parties amounted to approximately 19.7 million sq.m, representing a year-on-year increase of approximately 17.7%.

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

	2023					2022				
	For the year ended 31 December		As of 31 December			For the year ended 31 December		As of 31 December		
Property type	**Revenue**		**Area under management**		**The number of projects under management**	Revenue		Area under management		The number of projects under management
	RMB'000	**%**	**sq.m.'000**	**%**		RMB'000	%	sq.m.'000	%	
Residential Properties	**546,442**	**48.3**	**26,067**	**63.0**	**151**	488,293	52.2	24,285	65.8	141
Non-residential Properties	**584,854**	**51.7**	**15,286**	**37.0**	**109**	447,059	47.8	12,596	34.2	85
Total	**1,131,296**	**100.0**	**41,353**	**100.0**	**260**	935,352	100.0	36,880	100.0	226

The Group continued to promote its diversification and multi-business development strategy, with its service offerings including residential, non-residential (commercial, public and other properties), etc. For the year ended 31 December 2023, the Group's revenue from management service for residential properties was approximately RMB546.4 million, and the revenue from management service for non-residential properties was approximately RMB584.9 million, totaling approximately RMB1,131.3 million, representing an increase of approximately 20.9% as compared with the same period in 2022. The increase is mainly due to the Group's dedication to the diversified layout of the industry, and at present, the development pattern across all industries, scenarios, and fields has initially taken shape, further laying the foundation for diversification and large-scale development.

In 2023, the Group continued to implement special quality improvement actions. We established dedicated funds, developed visual service handbooks, conducted professional quality inspections, and effectively promoted the implementation of service standards. The Group also formulated the "Community Cultural Planning Outline (《社區文化規劃綱要》)" and "Community Cultural Construction Guidelines (《社區文化建設工作指引》)", actively engaged in community cultural activities, and strengthened the bond with property owners. The use of quality inspection mini-programs and the real-time monitoring of project services through the 400 Control Center were instrumental in ensuring service quality. The "Capital Jiaye Smart Community Construction Project (《京城佳業智慧社區建設項目》)" was awarded the "2023 Outstanding Solution for Digital Application Scenarios (2023數字化應用場景優秀解決方案)" by the State-owned Assets Supervision and Administration Commission of Beijing. Our third-party satisfaction survey results in 2023 exceeded industry average level.

In respect of residential properties, the Group follows the concept of specialized, family-oriented and humanized property service, and is committed to building of a harmonious society. As of 31 December 2023, the area of the residential properties under management of the Group was approximately 26.1 million sq.m., accounting for approximately 63.0% of the total area under management of the Group. For the year ended 31 December 2023, the Group's revenue from management service for residential properties amounted to approximately RMB546.4 million, representing an increase of approximately 11.9% as compared with the same period in 2022, and accounting for approximately 48.3% of the Group's total revenue from property management service.

IV. Management Discussion and Analysis

In respect of commercial properties, the Group leveraged its years of professional management experience in commercial properties and deep understanding of customer needs to provide high-quality and innovative services. This facilitated the expansion of premium resources, and the Group secured new contracts for large-scale complex projects such as Beitou Shopping Park (北投購物公園), Chengao Building (城奧大廈) and Chengyue Mall (城悦薈) during the Reporting Period. The buildings under our management received accolades such as the "Best Commercial Real Estate Property Management Demonstration Case (最佳商業地產物業管理示範案例)" and the "Office Building Financial Innovation Award (寫字樓金融創新獎)". The Asia Financial Center was recognised by the Beijing Property Management Association as an "Exchange Hub for Property Project Experiences (物業項目經驗交流點)". The "Research and Implementation of High-end Green Building Property Management based on the 'One Core, Five Rings' Model (《基於"一核五環"模式的高端綠色建築物業管理探究與實踐》)", prepared by the Group, received the "First Prize of Beijing Enterprise Management Innovation Achievement (北京市企業管理創新成果一等獎)". As of 31 December 2023, the area of the commercial properties under management of the Group was approximately 2.7 million sq.m., representing an increase of approximately 27.2% as compared with that as at 31 December 2022.

In respect of public and other properties, the Group provides an integrated logistics service solution, taking into account the high standard, strict requirements and safety-oriented characteristics of management over public properties. The Group continued to adhere to a diversified layout of its business operations while maintaining its core advantage in government public construction projects. We achieved new milestones in managing cultural and sports venues, park areas and transportation hubs. Notably, the Group successfully secured contracts for six plots in the Beijing Urban Sub-center, the National Tennis Center, and the Beijing Daxing Sports Arena (北京大興體育館). As of 31 December 2023, the number of public and other property projects under the management of the Group was 63, representing an increase of 21 as compared with that as of 31 December 2022. The Group has been actively exploring and researching into urban operations, neighborhood services, urban renewal, space operations and elderly services, and has continued to promote the integration of property services into community governance and cultivate new business service models.

Value-added services to non-property owners: accounting for approximately 19.6% of total revenue

The Group provided value-added services to non-property owners, including (i) emergency support services; (ii) sales office and display unit management and delivery services; (iii) tenant sourcing and management services; (iv) engineering operations and maintenance services; (v) construction site property services and container house leasing (namely, undertaking container house leasing and site property services of the internal and external construction site of the BUCG Group); and (vi) other services (including landscape engineering services, preliminary planning and design consulting services), etc.

The following table sets forth the 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			
	2023		2022	
Service type	**Revenue RMB'000**	**Percentage of revenue %**	Revenue RMB'000	Percentage of revenue %
Emergency support services	**90,587**	**25.2**	95,775	30.8
Sales office and display unit management and delivery services	**64,816**	**18.1**	63,922	20.6
Tenant sourcing and management services	**62,236**	**17.3**	44,360	14.3
Engineering operations and maintenance services	**58,624**	**16.3**	38,339	12.3
Construction site property services and container house leasing	**35,843**	**10.0**	38,114	12.3
Other services	**46,724**	**13.1**	30,401	9.7
Total	**358,830**	**100.0**	310,911	100.0

For the year ended 31 December 2023, the Group's revenue from value-added services to non-property owners amounted to approximately RMB358.8 million, representing an increase of approximately 15.4% over the same period in 2022, mainly due to the increases in revenue from sales office and display unit management and delivery services, tenant sourcing and management services, engineering operations and maintenance services, and other services of the Group.

Over the years, the Group has accumulated extensive experience in sales office and display unit management and delivery services. The Group successively provided high quality services for renowned property sales offices, joined Union International Concierge Organization, and embedded service philosophy of Concierge, bringing "Satisfactory and Surprising" quality service experience to customers. In 2023, the Group served 31 sales office projects and tailored its services based on the unique characteristics of each project, including providing personalised and customised services such as one-on-one concierge reception, five-star hospitality and customised afternoon tea. By delivering professional and high-quality on-site services, the Group created a service environment that reflected the vision of a better future, offering homebuyers a comfortable purchasing experience and facilitating business transactions. During the Reporting Period, the Group's revenue derived from such services amounted to approximately RMB64.8 million, approximately the same as the same period in 2022.

IV. Management Discussion and Analysis

The Group provides the tenant sourcing and management services to property developers of office buildings, including identifying and soliciting target tenants, assisting property developers in tenancy agreement negotiations and subsequent fee collection processes, as well as providing tenants with hassle-free move-in and move-out support services. During the Reporting Period, the Group's revenue from the tenant sourcing and management services amounted to approximately RMB62.2 million, representing an increase of approximately 40.3% from the same period in 2022.

The Group made significant strides in expanding into external markets under the engineering operations and maintenance services during the Reporting Period. The Group secured new contracts for 33 engineering renovation projects, including Beijing Institute of Fashion Technology, National Peking Opera Company and People's Theater, and Beijing College of Politics and Law, and undertook a new project to provide the operation and maintenance services for the equipment and facilities of the National Stadium, thus developing new business formats. The Group remained committed to ensuring the quality of project services, actively cooperating with various activities within the venues, successfully fulfilling major security operations, and strengthening customer relationships through the provision of high-quality services and solutions. Efforts were made to enhance customer satisfaction, which has garnered high praise from project owners. The Group continued to strengthen its fundamental management and steadily advance its expansion into external markets, while diversifying its operations. During the Reporting Period, the Group's revenue derived from such services amounted to approximately RMB58.6 million, representing an increase of approximately 52.9% as compared to the same period in 2022.

Leveraging its professional advantages in the field of services, the Group conducted business collaborations with BUCG Group in the engineering segment, and put much effort to promote the property management for construction sites with the scale advantage of BUCG Group in the engineering segment, so as to provide construction units with container house leasing services, security services, cleaning services and other basic property services at construction site and promote the synergistic development throughout the entire industrial chain of BUCG Group.

In respect of landscape engineering services under other services, the Group has successfully made its first entry into the field of ecological governance. In a public tender for second-tier market projects in Beijing, the Group successfully secured and completed the Miyun Mine Ecological Environment Restoration and Management Greening and Enhancement Project (密雲礦山生態環境修復治理綠化提升項目). Projects of this nature are categorised under the broader environmental protection theme and have promising market prospects. The Group has obtained the Class II professional qualification certificate for interior decoration and the corresponding safety production permit, preparing itself for the expansion into new business areas in the future. During the Reporting Period, the Group's revenue derived from other services under value-added services to non-property owners amounted to approximately RMB46.7 million, representing an increase of approximately 53.7% as compared to the same period in 2022.

Community value-added services: accounting for approximately 18.6% of total revenue

The Group provided community value-added services, including (i) heat energy supply services; (ii) carpark space operation services; (iii) catering services; and (iv) other services (including property leasing services, home decoration management services, real estate brokerage services, etc.).

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

	Year ended 31 December			
	2023		2022	
Service type	**Revenue**	**Percentage of revenue**	Revenue	Percentage of revenue
	RMB'000	**%**	RMB'000	%
Heat energy supply services	**130,457**	**38.5**	130,218	40.6
Carpark space operation services	**81,456**	**24.0**	56,752	17.7
Catering services	**80,190**	**23.6**	70,264	21.9
Other services	**47,152**	**13.9**	63,667	19.8
Total	**339,255**	**100.0**	320,901	100.0

For the year ended 31 December 2023, the Group's revenue from community value-added services amounted to approximately RMB339.3 million, representing an increase of approximately 5.7% as compared with the same period of 2022, mainly due to the growth of carpark space operation services and catering services.

At present, the Group is responsible for the operation service for heat energy supply of 10 heat energy generation plants and 34 management projects in Beijing, with a heating area of approximately 4.3 million sq.m. Through technology transformation and scientific and technological application, including the maintenance and renewal of heating equipment and facilities, intelligent regulation of heat energy supply management, we achieve energy-saving and efficient heat energy supply services, so as to practice the national concept of ecological and environmental protection. During the Reporting Period, the Group's revenue from heat energy supply services amounted to approximately RMB130.5 million.

The Group operates and manages carpark spaces in properties under its management and provides targeted operational solutions for order management, operation and charge management and other operation plans. We actively use intelligent parking system to save operation and labor costs, improve charging efficiency and achieve cost reduction and efficiency increase. During the Reporting Period, the Group's revenue from carpark space operation services amounted to approximately RMB81.5 million.

IV. Management Discussion and Analysis

The Group's professional catering management team was focused on market expansion in line with the synergistic and integrated development of the Group's businesses. It placed particular emphasis on scaling its presence in Party organisations, government departments, enterprises and institutions. The team continued to expand the marked under the principle of "winning the market through the site and acquiring high-quality existing projects through brand empowerment", and consistently improved the quality and innovation of its offerings. During the Reporting Period, the Group has successful acquired 15 new projects, including seven projects in the administrative office area of the sub-center, three projects for the Supreme People's Court and four projects for other government agencies. The business footprint has also expanded to regions such as Beijing, Urumqi in Xinjiang, Sanya in Hainan, and Yushu in Qinghai. Additionally, the Group actively responded to flood prevention and disaster relief efforts, and the catering team mobilised personnel to provide support at the Nanyuan Community Resettlement Site (南苑家園安置點). They successfully provided assistance to 1,233 affected individuals with over 20,000 meals, effectively fulfilling their flood prevention and disaster relief duties. In 2023, the Group managed 39 group meal projects and operated one directly owned catering restaurant, namely Likang Roasted Duck Restaurant (力康烤鴨店). During the Reporting Period, the Group's revenue from catering services amounted to approximately RMB80.2 million.

FINANCIAL REVIEW

Revenue

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

	Year ended 31 December				
	2023		2022		
	Revenue	**Percentage of revenue**	Revenue	Percentage of revenue	Growth Rate
	RMB'000	**%**	RMB'000	%	%
Property management services	**1,131,296**	**61.8**	935,352	59.7	20.9
Value-added services to non-property owners	**358,830**	**19.6**	310,911	19.8	15.4
Community value-added services	**339,255**	**18.6**	320,901	20.5	5.7
Total	**1,829,381**	**100.0**	1,567,164	100.0	16.7

For the year ended 31 December 2023, the total revenue of the Group was approximately RMB1,829.4 million (2022: approximately RMB1,567.2 million), representing an increase of approximately 16.7% as compared with the same period in 2022, mainly due to: (i) an increase in revenue due to the continuous expansion of the Group's management scale; and (ii) the rapid development of value-added services of the Group during the Reporting Period.

Cost of Sales

For the year ended 31 December 2023, the cost of sales of the Group was approximately RMB1,453.0 million (2022: approximately RMB1,219.9 million), representing an increase of approximately 19.1% as compared with the same period in 2022, primarily due to the increase of outsourcing cost as a result of the increase of areas under management and the projects under management of the Group.

IV. Management Discussion and Analysis

Gross Profit and Gross Profit Margin

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

	Year ended 31 December					
	2023			2022		
	Gross profit	**Gross profit ratio**	**Gross profit margin**	Gross profit	Gross profit ratio	Gross profit margin
	RMB'000	**%**	**%**	RMB'000	%	%
Property management services	**219,690**	**58.4**	**19.4**	198,897	57.3	21.3
Value-added services to non-property owners	**109,573**	**29.1**	**30.5**	100,406	28.9	32.3
Community value-added services	**47,118**	**12.5**	**13.9**	48,002	13.8	15.0
Total	**376,381**	**100.0**	**20.6**	347,305	100.0	22.2

For the year ended 31 December 2023, our gross profit was approximately RMB376.4 million, representing an increase of approximately 8.4% as compared with the same period in 2022 (approximately RMB347.3 million). The gross profit margin of the Group was approximately 20.6%, representing a decrease of 1.6 percentage points as compared with 22.2% for the same period in 2022, mainly due to the increase of outsourcing services cost.

For the year ended 31 December 2023, the gross profit margin from the property management services of the Group was approximately 19.4% (2022: approximately 21.3%). The gross profit margin from the value-added services to non-property owners was approximately 30.5% (2022: approximately 32.3%). The gross profit margin from the community value-added services was approximately 13.9% (2022: approximately 15.0%).

Administrative Expenses

For the year ended 31 December 2023, the total administrative expenses of the Group were approximately RMB197.4 million, remaining basically stable as compared with approximately RMB198.0 million for the year ended 31 December 2022.

Other Income

For the year ended 31 December 2023, other income of the Group was approximately RMB19.0 million, representing an increase of approximately 48.4% from approximately RMB12.8 million for the year ended 31 December 2022.

Profit for the Year

For the year ended 31 December 2023, our profit for the year was approximately RMB115.7 million, remaining basically stable as compared with approximately RMB115.2 million in the same period of 2022. The profit for the year attributable to the equity shareholders of the Group was approximately RMB113.6 million, remaining basically stable as compared with approximately RMB114.2 million in the same period of 2022.

Current Assets and Capital Structure

The Group maintained an excellent financial position and adequate liquidity for the year ended 31 December 2023. As at 31 December 2023, the current assets were approximately RMB1,911.9 million, representing an increase of approximately 1.7% as compared with approximately RMB1,880.4 million as at 31 December 2022. As at 31 December 2023, the current ratio (current assets divided by current liabilities) of the Group was approximately 1.4 (31 December 2022: approximately 1.5).

As of 31 December 2023, the Group's cash and cash equivalents amounted to approximately RMB1,105.2 million, representing a decrease of approximately 3.1% as compared with approximately RMB1,140.7 million as at 31 December 2022.

As of 31 December 2023, the total equity of the Group amounted to approximately RMB855.2 million, representing an increase of approximately 9.3% or approximately RMB72.8 million as compared with approximately RMB782.4 million as at 31 December 2022, primarily due to the growth in profit during the Reporting Period.

As of 31 December 2023, the Group's debt-to-asset ratio was approximately 63.9%, representing a decrease of approximately 0.2 percentage point as compared with 64.1% as at 31 December 2022. The debt-to-asset ratio refers to the ratio of total liabilities to total assets.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of buildings, properties leased for own use, office and other equipment. As at 31 December 2023, the Group's property, plant and equipment amounted to approximately RMB208.9 million, representing an increase of approximately RMB148.2 million as compared with approximately RMB60.7 million as at 31 December 2022, primarily due to the increase in the purchase of office equipment, container houses and leasehold for the Group's business operations.

IV. Management Discussion and Analysis

Investment Properties

Our investment properties primarily include investment in real estate properties. As at 31 December 2023, the Group's leased assets and investment properties amounted to approximately RMB108.0 million, representing an increase of approximately RMB0.3 million as compared with approximately RMB107.7 million as at 31 December 2022, primarily attributable to change of fair value of the Group's investment properties.

Prepayments, Trade and Other Receivables

As of 31 December 2023, prepayments, trade and other receivables amounted to approximately RMB794.1 million, representing an increase of approximately RMB67.9 million as compared with approximately RMB726.2 million as at 31 December 2022, primarily attributable to an increase in trade receivables in line with the continuous expansion of the Group's business scale.

Other receivables of the Group mainly comprised payments on behalf of customers and deposits paid for the provision of property management services. Other receivables of the Group increased from approximately RMB13.2 million as of 31 December 2022 to approximately RMB40.3 million as of 31 December 2023.

Trade and Other Payables

As of 31 December 2023, trade and other payables amounted to approximately RMB972.2 million, representing a decrease of RMB1.5 million as compared with approximately RMB973.7 million as at 31 December 2022, mainly due to the decrease of amounts due to related parties and deposits.

Other payables of the Group mainly comprised housing maintenance funds payable and payables to related parties and deposits received from landlords and tenants for renovation and utilities. Other payables of the Group as of 31 December 2022 and 31 December 2023 were approximately RMB527.0 million and RMB489.4 million, respectively.

Capital Expenditure

Our capital expenditure increased from approximately RMB36.0 million for the year ended 31 December 2022 to approximately RMB36.3 million for the year ended 31 December 2023, which is mainly used for the purchase of office equipment, container houses and software licences.

Borrowing

As at 31 December 2023, the Group did not have any borrowings or bank loans.

Pledge of Assets

As at 31 December 2023, the Group did not have any pledge on its assets.

Significant Investments, Material Acquisitions and Disposals and Future Plans

For the year ended 31 December 2023, the Group did not have any significant investments, material acquisitions and disposals.

Except for the expansion plans disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Company’s prospectus dated 29 October 2021 (the “**Prospectus**”), there were no significant investments or acquisition of capital assets 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 “**Net Proceeds**”) were approximately HK$246.91 million.

As of 31 December 2023, the Net Proceeds were used as planned. The portion of the Net Proceeds that had not been used were placed as interest-bearing deposits with domestic bank account for proceeds. The Company intends to use the Net Proceeds in accordance with the method and schedule set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As at 31 December 2023, details of the use of the Net Proceeds were as follows:

Purposes	Percentage of total amount	Planned use of net proceeds HK$ Million	Unused amount as of 1 January 2023 HK$ Million	Actual use of proceeds during the Reporting Period HK$ Million	Accumulated actual use of proceeds as of 31 December 2023 HK$ Million	Unused amount as of 31 December 2023 HK$ Million	Expected timeline for full utilization of the remaining proceeds
Strategic investment and acquisition	**60%**	**148.15**	**138.82**	**–**	**9.33**	**138.82**	**On or before 31 December 2024**
Development of value-added services	**25%**	**61.73**	**47.96**	**36.41**	**50.18**	**11.55**	**On or before 31 December 2024**
– Expanding tenant sourcing and management services	15%	37.04	23.27	23.27	37.04	–	On or before 31 December 2024
– Diversifying community value-added services	10%	24.69	24.69	13.14	13.14	11.55	On or before 31 December 2024
Developing and upgrading our information technology infrastructure and intelligent equipment	**10%**	**24.69**	**20.09**	**6.90**	**11.50**	**13.19**	**On or before 31 December 2024**
– Upgrading the internal operation system	4%	9.88	5.28	5.28	9.88	–	On or before 31 December 2024
– Promoting the application of IoT technologies	3%	7.41	7.41	–	–	7.41	On or before 31 December 2024
– Upgrading our intelligent lifestyle service platform for property owners and residents	3%	7.41	7.41	1.62	1.62	5.79	On or before 31 December 2024
Working capital and for general corporate purposes	**5%**	**12.35**	**–**	**–**	**12.35**	**–**	**N/A**
Total	**100%**	**246.91**	**206.86**	**43.31**	**83.36**	**163.55**	

Contingent Liabilities

As at 31 December 2023, the Group did not have any material contingent liabilities.

Foreign Exchange Risk

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

DIRECTORS

Mr. Zhang Weize (張偉澤), aged 54, 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 55, 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 51, 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.

Mr. Yao Xin (姚昕), aged 47, is an executive Director and deputy general manager of the Company. He is responsible for the operation and safety of the Group. Mr. Yao joined the Company in December 2020 when the Company was incorporated and served in his current positions. Currently, Mr. Yao also serves as a member of the Risk and Compliance Management Committee of the Company.

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. Jiang Xin (蔣鑫), aged 47, 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 45, 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. Since 29 June 2023, he has been serving as an external 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.

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

Mr. Cheng Peng (程鵬), aged 49, 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 a member of the Specialized Committee of Real Estate Market Services 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房地產市場服務專業委員會) since September 2019. He 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. Mr. Cheng 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, Mr. Cheng has also been a member of the National Technical Committee for Property Standardization (全國物業標準化技術委員會委員).

Since 21 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.

Mr. Kong Weiping (孔偉平), aged 54, 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 independent director of Zotye Automobile Co., Ltd. (眾泰汽車股份有限公司), a company listed on Shenzhen Stock Exchange, stock code: 000980, since July 2017; an external director of Beijing North Star Company Limited* (北京北辰實業集團有限責任公司) since December 2018; an external director of Beijing Tianqiao Zenith Investment Group Co., Ltd.* (北京天橋盛世投資集團有限責任公司) since January 2020; an external director of Beijing Huafang Investment Company Limited* (北京華方投資有限公司) since April 2020; 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. 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.

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 48, 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 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), an independent non-executive director and the chairman of the audit committee of New Hope Service Holdings Limited (stock code: 03658), and an independent non-executive director and the chairman of the audit committee of ZACD Group Ltd. (stock code: 08313). 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. 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 governance, Mr. Kong is also admitted as (i) a Fellow of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom; (ii) a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants (HKICPA); (iii) a Fellow of both The Chartered Governance Institute (CGI) in the United Kingdom and The Hong Kong Chartered Governance Institute (HKCGI) with the designations of Chartered Secretary and Chartered Governance Professional; (iv) a Fellow of The Hong Kong Institute of Directors (HKIoD); and (v) an Ordinary Member of Hong Kong Securities and Investment Institute (HKSI). Mr. Kong graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration in December 1997.

SUPERVISORS

Mr. Liu Fengyuan (劉鳳元), aged 59, is the chairman of the Supervisory Committee and a shareholder representative supervisor of the Company. Mr. Liu joined the Company in December 2020 when the Company was incorporated and served in his current positions.

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

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

Mr. Liu obtained a master's degree in project management from University of Quebec at Chicoutimi, Canada in March 2011. Mr. Liu was awarded the qualification of registered cost engineer by the Ministry of Personnel and the Ministry of Construction of China in June 1999 and the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in September 2016. Mr. Liu was awarded the qualification of senior economist by Beijing Advanced Professional Title Evaluation Committees (北京市高級職稱評審委員會) in November 2021.

Mr. Hu Mingkai (扈明凱), aged 56, 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. Liu Fang (劉芳), aged 41, is an employee representative supervisor of the Company. Ms. Liu joined the Company in December 2020 when the Company was incorporated and served in her current position.

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

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

Ms. Liu was awarded the first-level qualification of enterprise human resource manager in May 2014 and the qualification of senior economist by Beijing Advanced Professional Title Evaluation Committees (北京市高級職稱評審委員會) in November 2023.

SENIOR MANAGEMENT

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

Ms. Xu Yan (徐艷), aged 47, 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; and 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.

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 47, 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 the Director of Beijing Juntai Real Estate Co., Ltd. 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 50, 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.*, 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 51, 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; and was awarded the qualification of senior economist by Beijing Advanced Professional and Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in December 2008.

Mr. Lyu Hao (呂昊), aged 41, is the marketing director of the Company. Mr. Lyu joined the Company in April 2021 and served in his current position.

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

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

Mr. Lyu graduated from Tianjin University (天津大學) with a bachelor's degree in electronics science and technology in June 2003. Mr. Lyu was awarded the qualification of 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 November 2023.

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. Mok Ming Wai (莫明慧), is the joint company secretary of the Company. Ms. Mok is currently the Head of Listed Company Corporate Services of Tricor Services Limited. Ms. Mok has over 26 years of experience in professional and internal company secretarial work. She was admitted as a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom in December 2011.

The Board hereby presents this corporate governance report for the year ended 31 December 2023.

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, except for Code Provision B.2.2 (as detailed in the sub-section headed "The Appointment of Directors" below).

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.

VI. 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 2023.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises nine Directors, with four executive Directors, two non-executive Directors, and three independent non-executive Directors. During the year ended 31 December 2023 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

Non-executive Directors

Ms. Jiang Xin
Mr. Mao Lei

Independent Non-executive Directors

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

Personal particulars of Directors are set out in the section headed "V. 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 2023, 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 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 first session of the Board of Directors. 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. Considering that the election of the new session of the Board and the Supervisory Committee is still under preparation, in order to ensure the continuity of the relevant work of the Company, the election of the new session of the Board and the Supervisory Committee will be postponed. The terms of the first session of the Board and the Supervisory Committee will be extended to the next session of the Board and the Supervisory Committee being elected at the 2023 annual general meeting of the Company, and the terms of each of the special committees under the Board will also be extended accordingly. Please refer to the announcement of the Company dated 20 December 2023 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.

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
Mr. Yao Xin (姚昕)	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
Independent Non-executive Directors	
Mr. Cheng Peng (程鵬)	Expert in the property industry field
Mr. Kong Weiping (孔偉平)	Expert in the legal field
Mr. Kong Chi Mo (江智武)	Expert in the financial accounting field

Age

Age Group	41 – 45	46 – 50	51 – 55
Directors	1	4	4
Mr. Zhang Weize (張偉澤)			√
Mr. Yang Jun (楊軍)			√
Mr. Luo Zhou (羅周)			√
Mr. Yao Xin (姚昕)		√	
Ms. Jiang Xin (蔣鑫)		√	
Mr. Mao Lei (毛磊)	√		
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 55 years old. One of the Company's non-executive Directors, namely Ms. Jiang Xin, one of the Company's Supervisors, namely Ms. Liu Fang, the Company's members of the senior management, namely Ms. Li Peng and Ms. Ma Suyan, and one of the Company's joint company secretaries, namely Ms. Mok Ming Wai, have practical experience in their respective fields, contributing to gender diversity of the Company's management team and bringing valuable views from a female perspective to 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 2023, 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 "VI. 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 2023, 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

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 2023, the Audit Committee held three meetings in total and studied and reviewed the proposals on the "2022 Annual Final Financial Report", "2022 Profit Distribution Plan and Dividend Declaration Proposal", "Announcement of Annual Results for the year 2022 and 2022 Annual Report", "Interim Results Announcement for the Six Months Ended 30 June 2023 and 2023 Interim Report", "Renewal of the Continuing Connected Transaction Framework Agreements for 2024 to 2026 by the Company and Determination of Annual Caps", "Entering into of the Carpark Space Leasing and Sales Services Framework Agreement and Determination of Annual Caps", and "Revision of Annual Caps for 2023 for Certain Connected Transactions and Relevant Matters" and recommended them to the Board of Directors 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

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 17th meeting of the 1st session of the Board of the Company was held on 15 March 2023 to consider the amended "Working Rules for the Remuneration and Evaluation Committee of the Board of Directors", which have been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bcjps.com) on the same day.

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 2023, the Remuneration and Evaluation Committee held three meetings in total, which studied and reviewed proposals such as "Emoluments of Directors and Senior Management in 2022", "the Share Appreciation Rights Incentive Scheme of the Company", "Performance Appraisal and Remuneration Plan of Senior Managers in 2022", and "Appraisal of Results of Operations and Remuneration Plan of Heads of Affiliated Units in 2022", 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

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 17th meeting of the 1st session of the Board of the Company was held on 15 March 2023 to consider the amended “Working Rules for the Nomination Committee of the Board of Directors”, which have been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bcjps.com) on the same day.

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 2023, the Nomination Committee had held one meeting to study and review the proposals of “Appointment of the Company’s Joint Company Secretary” and “Work Report by the Nomination Committee of the Board of Directors of the Company in 2022” 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

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 2023, the Strategy and Investment and ESG Committee held three meetings in total, studied and considered the proposals such as the "2023 Production and Operation Plan of the Company", "2022 Environmental, Social and Governance (ESG) Report" and the "Interim Assessment Report on the 'Fourteenth Five-year' Plan of the Company", 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

The Risk and Compliance Management Committee currently comprises five Directors, namely Mr. Yang Jun (executive Director), Mr. Zhang Weize (executive Director), Mr. Yao Xin (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 2023, Risk and Compliance Management Committee held two meetings in total, studied and considered proposals such as the “2022 Risk Management Work Report”, the “Amendments to Administrative Measures for Internal Control of the Company”, the “Amendments to Administrative Measures for Compliance of the Company”, and the “Amendments to the Risk Management Measures of the Company and Supporting Documents”, 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 OF DIRECTORS AND THE BOARD COMMITTEES’ MEETINGS

The general meeting is the highest authority of the Company. It provides an opportunity for direct communication and 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 2023, the Company held a total of two general meetings, including one AGM and one extraordinary general meetings, namely the 2022 AGM of the Company held on 12 May 2023, and the 2023 first extraordinary general meeting of the Company held on 19 December 2023. A total of 23 proposals (including sub-proposals) were considered and approved at the above two 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 2023, the Board of Directors convened six meetings during the year and considered and approved a total of 41 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 2023:

	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	6/6	N/A	1/1	N/A	3/3	2/2	2/2
Mr. Yang Jun	6/6	N/A	N/A	N/A	3/3	2/2	2/2
Mr. Luo Zhou	6/6	N/A	N/A	N/A	3/3	N/A	2/2
Mr. Yao Xin	6/6	N/A	N/A	N/A	N/A	2/2	2/2
Ms. Jiang Xin	6/6	3/3	N/A	3/3	N/A	2/2	2/2
Mr. Mao Lei	6/6	N/A	N/A	N/A	3/3	N/A	2/2
Mr. Cheng Peng	6/6	N/A	1/1	3/3	3/3	N/A	2/2
Mr. Kong Weiping	6/6	3/3	1/1	3/3	N/A	2/2	2/2
Mr. Kong Chi Mo	6/6	3/3	N/A	N/A	N/A	N/A	2/2

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 2023:

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

THE 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 2023 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 2023 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 2023 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 Risk and Compliance Management Committee of the Board of Directors is responsible for the construction and management of the Group's risk management system and internal control system; the Risk and Compliance Management Committee, the Strategy and Investment and ESG Committee, the Audit Committee, and the management discuss the risk management and internal control systems together to ensure that the management has fulfilled its responsibilities of establishment of an effective system. The Board shall independently evaluate and supervise the compliance, legality and effectiveness of the enterprise's business activities.

The Group has set up a functional department for compliance management to carry out identification, evaluation, report analysis and response for risk management, while formulating internal control system. Our internal audit officers formulate internal control evaluation system according to the principle of checks and balances, carry out supervision and evaluation, arrange inspection and audit in respect of the internal control system, and issue supervision and evaluation report.

Structure of the Group's Risk Management

The Group adopts multi-layer management for its comprehensive risk management works. Such framework includes the Board, the Risk and Compliance Management Committee, the Group's operational management, the Group's risk control department, the management of the headquarters of the Group and its subsidiaries, and the internal audit department.

The Board (the decision-making level) guides the Group's comprehensive risk management works and is the ultimate decision-making body regarding the major risk matters in the comprehensive risk management process. 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 appropriate and effective risk management and internal control systems. It is accountable for the effectiveness of the comprehensive risk management.

The Risk and Compliance Management Committee (the decision-making level) is responsible for overseeing the risk management system and internal control system of the Group and discussing the risk management and internal control system with the management to ensure that the management has fulfilled its responsibilities of establishment of an effective system.

The Group's operational management (the leading and organization level) makes decision on general risk management matters and conducts preliminary review on material risk management matters under the authorization of the Board.

The Group's risk control department (the supervision and implementation level) is responsible for establishing a sound comprehensive risk management, supervision and evaluation system.

The management of the headquarters of the Group and its subsidiaries (the implementation and organization level) is responsible for the identification, evaluation, report analysis and response for the comprehensive risk management, with specific actions to be taken by the risk control department of the Company; is responsible for pushing forward and implementing specific risk management measures, monitoring various risks of the business, and promptly reporting risk information to the operational management of the headquarters of the Group.

Internal audit department (the supervisory level) establishes relevant supervision and evaluation systems for each of the Group's centers and subsidiaries to carry out supervision and evaluation, issues supervision and evaluation audit reports, arranges inspection and audit in respect of the internal control system, and conducts independence evaluation through internal audit work.

Risk Management Procedure

The Company identifies, evaluates and handles major business risks in accordance with the internal audit system of the Group, the legal and compliance department formulates risk evaluation standards for the Company, evaluates major risks that may affect the achievement of business objectives, and determines the scope and content of internal audit based on the importance level of such risks. Meanwhile, business units evaluate the existing monitoring measures and management methods, and formulate solutions for the potential risks existing in operations and management.

The internal audit department conducts audit supervision on major business aspects in operations and management based on the carrying out of the business of the Company through routine audit, special audit and other means, and requires business units to conduct rectifications in respect of risks found in audits, and keeps track of the status of the rectification and measures, ensures all risks are effectively controlled, regularly organizes business exchange and training for affiliated units of the Company and shares internal control experience and risk information to improve the Company's risk management level.

Risk Management and Internal Control of the Company for the Year

During the year, the Company focused on the development work for an internal control and compliance system across all departments. By the first half of the year, we completed the construction of our internal control system and released foundational documents for system management, including the "Compliance Administrative Measures", "Administrative Measures for Internal Control", "Risk Management Measures", "Compliance Management Manual", and "Internal Control Management Manual", accompanied by the supporting document "Risk Information Collection and Risk Assessment Operation Manual". To address key areas in compliance management, the Company issued four guidance documents, including "Property Service Compliance Guidelines", "Connected Transactions Compliance Guidelines", "Labor and Employment Compliance Guidelines", and "External Investment Management Compliance Guidelines".

We undertook inspections into major legal risks across various departments and affiliated units, focusing on key areas of risk control. We also undertook a summary and evaluation of risk and internal control management for 2022 at Capital Jiaye and its affiliated units, with particular attention paid to the management of internal approvals and execution. Furthermore, the effort was doubled to supervise the discharge of departmental and position-based responsibilities, and internal process control was reinforced. During the year, the Company continued to focus on the management of internal approvals and execution, and reinforce the supervision over departmental and positional responsibilities, as well as internal process controls.

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 2023, 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.

During the year, the internal control system construction and consulting firm engaged by the Company conducted a review of the Company's established systems, risk management and internal control systems, and other areas, and subsequently provided recommendations on the details of identified major issues and remedial measures. On-site surveys were conducted by the consulting firm on the Company's departments and affiliated enterprises, with a recommendation report on an internal control system construction furnished, whereby proposing a total of 56 recommendations, including 33 at the company level and 23 at the business level; 36 at the design level and 20 at the execution level; four relating to corporate governance and more than 10 relating to departmental responsibilities. Simultaneously, investigations were conducted by the consulting firm into connected transactions, accounts receivable-related sales operations, and fee collection operations. It was found that the connected transaction system and processes were comparatively well engineered, and that the Company had also designed a mini-program for automated control of connected transactions. However, further improvements were required in specific execution. A total of six recommendations were made regarding accounts receivable-related sales operations and fee collection management, with one pertaining to design and five to execution. By recognizing the gravity of the deficiencies and recommendations, the Board and management of the Company engaged in thorough communication and exchanges with such consulting firm before formulating corresponding control measures. On this basis, the construction of an internal control system was carried out at the group level, completing 23 tier-one processes, 52 tier-two processes, and more than 100 tier-three processes. Currently, the internal control system covers all internal control activities 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 standardization 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 realization 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 2023, 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 2023, the Company's total amount of remuneration paid to the external auditor of the Company, KPMG, was RMB3.19 million for 2023.

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	
– 2023 Interim Financial Report Review Service	0.80
– 2023 Annual Financial Statements Audit Service	2.38
– Hong Kong Profits Tax Return Filing Service	0.01
Total	3.19

JOINT COMPANY SECRETARIES

Ms. Mok Ming Wai (head of listed company corporate services of Tricor Services Limited, an external service provider) is one of the joint company secretaries of the Company.

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. Mok Ming Wai on corporate governance matters of the Company.

Mr. Chen Shuang and Ms. Mok Ming Wai 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 2023.

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

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

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

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

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

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

Pursuant to Article 68 of the Articles of Association, when the Shareholders convene and preside over a meeting by themselves in accordance with the provisions therein, a written notice shall be sent to the Board of Directors and, in accordance with applicable regulations, filed with the 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 70 of the Articles of Association, Shareholder(s) individually or jointly holding more than three per cent (3%) of the Company's shares may submit a written provisional motion to the convener ten (10) days before a general meeting is convened; the convener shall issue a supplementary notice of general meeting within two (2) days after receipt of the said provisional motion, to announce the content of the provisional proposal, and include the matters that fall within the scope of the duties of the general meeting in the proposal into the agenda of the meeting and submit them to the general meeting for consideration.

Enquiries to the Board

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

Address: 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 2023, 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 2023.

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 2023, see final dividend in the "VII. 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 2023:

	Female	Male
The Board	11.11%	88.99%
Senior management	40.00%	60.00%
Employees	40.44%	59.56%

The Board's goal is to achieve and has achieved a minimum of 10% female Directors, a minimum of 40% female senior management and a minimum of 40% female employees, and the Board is satisfied with the current gender diversity.

The indicators on employees of the Group in 2023 are as follows:

Indicator	**At the end of 2023 (persons)**	**Percentage of total number of employees at the end of 2023**
Male employees	1,112	59.62%
Female employees	753	40.38%
Employees aged 30 and below	317	17.00%
Employees aged from 31 to 50	1,161	62.25%
Employees aged 51 and above	387	20.75%

As of 31 December 2023, the Group had a total of 1,865 employees, of which 753 were female employees (including senior management), representing approximately 40.44%. The Group considers the overall diversity (including gender diversity) of the Group to be balanced as a whole and intends to maintain a similar level of gender diversity of the overall staff.

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 with more than 50 individuals, while organizing cadre talent training classes with over 120 participants. Furthermore, we will continue to promote diversity through training programs, employee networks, fair employment and recruitment practices.

ARTICLES OF ASSOCIATION

For the year ended 31 December 2023 and as of the date of this report, no amendments are made to the Articles of Association. 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).

VII. Report of the Board

The Board is pleased to present its Directors' report and the audited consolidated financial statements of the Company for the year ended 31 December 2023.

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 2023 and the future business development of the Company are set out in the sections headed "III. Chairman's Statement" and "IV. Management Discussion and Analysis" of this annual report.

"IV. 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 2023, 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 94 to 100 of this annual report.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.2117 per share (tax inclusive) in cash for the year ended 31 December 2023 with a proposed dividend payout ratio equivalent to approximately 30%. The dividend proposal is subject to the approval of Shareholders at the annual general meeting of the Company to be held on Wednesday, 22 May 2024 (the "**2023 AGM**"), and the proposed final dividend is expected to be paid on or before Thursday, 20 June 2024. The proposed final dividend will be declared in Renminbi and distributed in Hong Kong dollars (H shares) and Renminbi, and the exchange rate will be the average of the middle rate of the exchange rate published by the People's Bank of China one calendar week prior to the date of declaration of proposed final dividend.

As of the date of this annual report, no Shareholder has waived or agreed to waive any dividend arrangement.

2023 AGM

The 2023 AGM will be held on Wednesday, 22 May 2024. The notice of the 2023 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 dispatched to the Shareholders in the manner prescribed under the Listing Rules in due course as and when necessary.

DIVIDEND TAXATION

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

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045 號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348 號)) (the "**No. 348 Circular**") issued on 28 June 2011, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China as well as the tax arrangements between mainland China and Hong Kong or Macau. Pursuant to the No. 348 Circular, individual income tax at a tax rate of 10% may in general be withheld in respect of the dividend or bonus income to be distributed by the PRC non – foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders, without any application for 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 on Enjoying Treatment under Tax Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) and the provisions of the relevant tax treaties in a timely manner. The Company will assist with the tax refund of additional amount of tax withheld and paid subject to the approval of the competent tax authorities.

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

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

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' entitlement to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Friday, 17 May 2024 to Wednesday, 22 May 2024, 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 2023 AGM, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares) or the Office of the Board of Directors of the Company at 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 Thursday, 16 May 2024, for registration. Shareholders whose names appear on the register of members of the Company on Wednesday, 22 May 2024 are entitled to attend and vote at the 2023 AGM.

For the purpose of determining the Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2023, subject to approval by Shareholders at the 2023 AGM, the register of members of the Company will be closed from Tuesday, 28 May 2024 to Monday, 3 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to determine the Shareholders' entitlement to the above final dividend, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares) or the Office of the Board of Directors of the Company at 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 Monday, 27 May 2024, for registration. Shareholders whose names appear on the register of members of the Company on Monday, 3 June 2024 are entitled to receive the above final dividend.

SHARE CAPITAL

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

For the year ended 31 December 2023, 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 2023.

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 2023, 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 2023, 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 2023 are set out in the "XII. Consolidated Statement of Changes in Equity" of this annual report.

As at 31 December 2023, our aggregate amount of reserve available for distribution to equity Shareholders of the Company was approximately RMB461.6 million.

INVESTMENT PROPERTIES

As at 31 December 2023, 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 2023 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 2023 are set out in Note 13 to the consolidated financial statements.

BORROWINGS

As at 31 December 2023, the Group had no borrowings or bank loans.

PLEDGE OF ASSETS

As at 31 December 2023, 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 2023 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 2023.

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% (2022: 20%) of the employees' basic salaries subject to certain ceiling as stipulated by the government for the year ended 31 December 2023. 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 2023, the aggregate enterprise annuity expenses of the Company amounted to approximately RMB6.29 million (2022: RMB5.93 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 2023, 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 2023, 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 2023, the present value of the defined benefit obligations amounted to RMB68,684,000 (31 December 2022: RMB69,663,000).

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 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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 2023, no equity-linked agreement was entered into by the Group or still in effect.

VII. Report of the Board

DIRECTORS

For the year ended 31 December 2023 and up to the date of this report, the Directors of the Company include:

Name of Directors	Position
Mr. Zhang Weize *(Chairman) (appointed on 22 December 2020)*	Executive Director
Mr. Yang Jun *(appointed on 22 December 2020)*	Executive Director
Mr. Luo Zhou *(appointed on 22 December 2020)*	Executive Director
Mr. Yao Xin *(appointed on 22 December 2020)*	Executive Director
Ms. Jiang Xin *(appointed on 28 October 2022)*	Non-executive Director
Mr. Mao Lei *(appointed on 22 December 2020)*	Non-executive Director
Mr. Cheng Peng *(appointed on 11 October 2021)*	Independent non-executive Director
Mr. Kong Weiping *(appointed on 11 October 2021)*	Independent non-executive Director
Mr. Kong Chi Mo *(appointed on 11 October 2021)*	Independent non-executive Director

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received the annual confirmation letter of independence from each of the independent non – executive Directors (namely Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo) pursuant to Rule 3.13 of the Listing Rules, and the Company is of the view that all such Directors are independent persons for the year ended 31 December 2023.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

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

The terms of the first session of the Board and the Supervisory Committee of the Company expired on 21 December 2023. Considering that the election of the new session of the Board and the Supervisory Committee is still under preparation, in order to ensure the continuity of the relevant work of the Company, the election of the new session of the Board and the Supervisory Committee will be postponed. The terms of the first session of the Board and the Supervisory Committee will be extended to the next session of the Board and the Supervisory Committee being elected at the 2023 AGM of the Company, and the terms of each of the special committees under the Board will also be extended accordingly. Please refer to the announcement of the Company dated 20 December 2023 for details.

As of 31 December 2023, none of the Directors or Supervisors has a service contract with the Company which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

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

For the year ended 31 December 2023, 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 2023, 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 2023, 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 2023 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 2023, the persons (other than Directors, Supervisors and chief executives of the Company) or corporations who had an interest or short position in the shares and/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 2023.

3. Calculated based on the total number of 146,667,200 shares of the Company in issue as at 31 December 2023.

4. 41.86% 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 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through its direct wholly-owned subsidiary Glodon (Hong Kong) Software Limited. Diao Zhizhong indirectly controls 16% of the equity of Glodon Company Limited.

Save as disclosed above, as at 31 December 2023, the Company had not been notified of any other interests or short positions held by any other person in the shares or underlying shares of the Company which were required to be recorded or otherwise disclosed to the Company under the SFO.

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 optimize 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.

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 2023.

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. 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 2023, 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 2023.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2023, 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 section headed "Continuing 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 2023.

CONTINUING CONNECTED TRANSACTION

For the year ended 31 December 2023, 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.

For the years ended 31 December 2021, 2022 and 2023, the annual caps, which refer to both estimated rental expenses and recognition of right-of-use assets from certain property leases, for the Group's leases from BUCG and its associates under the 2021 BUCG Property Leasing Framework Agreement were RMB11,044 thousand (among which approximately RMB7,100 thousand was recognized as right-of-use assets from the certain property leases, and approximately RMB3,944 thousand was rental expenses), RMB13,844 thousand (among which approximately RMB2,600 thousand was recognized as right-of-use assets from certain property leases, and approximately RMB11,244 thousand was rental expenses) and RMB12,868 thousand (among which approximately RMB500 thousand was recognized as right-of-use assets from certain property leases, and approximately RMB12,368 thousand was rental expenses), respectively. The annual caps for BUCG's and its associates' lease from the Group were RMB6,138 thousand, RMB20,806 thousand and RMB27,383 thousand, respectively.

The revision of the full-year transaction amount of the transactions in relation to the Group leasing properties from BUCG and its associates under the 2021 BUCG Property Leasing Framework Agreement was approved at the 2023 first extraordinary general meeting of the Company held on 19 December 2023. The annual caps for the transactions for the year ended 31 December 2023 was revised from RMB12,868 thousand (among which approximately RMB500 thousand was recognized as right-of-use assets from the certain property leases, and approximately RMB12,368 thousand was rental expenses) was revised to RMB51,013 thousand (among which approximately RMB38,645 thousand was recognized as right-of-use assets from the certain property leases, and approximately RMB12,368 thousand was rental expenses). Please refer to the announcement of the Company dated 10 October 2023 and the circular dated 30 November 2023 for details.

For the year ended 31 December 2023, the total transaction amount for the Group's lease from BUCG and its associates under the 2021 BUCG Property Leasing Framework Agreement was RMB46,730 thousand (among which, the rental expenses were RMB10,604 thousand and the right-of-use assets were RMB36,126 thousand). The total transaction amount for BUCG's and its associates' lease from the Group was RMB20,711 thousand.

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.

3. **Tiannuo Property Leasing Framework Agreement**

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

For the years ended 31 December 2021, 2022 and 2023, the annual caps, which refer to estimated rental payment as the leases were expected to be short-term leases and were exempt from recognition as right-of – use assets on our balance sheet under IFRS 16, for the Group's (other than Tiannuo Property) leases from Tiannuo Property under the Tiannuo Property Leasing Framework Agreement are RMB94 thousand, RMB112 thousand and RMB135 thousand, respectively, and the annual caps for Tiannuo Property's leases from the Group (other than Tiannuo Property) were RMB104 thousand, RMB124 thousand and RMB149 thousand, respectively. For the year ended 31 December 2023, neither the lease of the Group (other than Tiannuo Property) from Tiannuo Property nor the lease of Tiannuo Property from the Group (other than Tiannuo Property) under the Tiannuo Property Leasing Framework Agreement has been incurred in any related transaction and has not resulted in any transaction amount.

4. **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.

For the years ended 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by the Group (other than Senqi Greening) under the 2021 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement were RMB6,200 thousand, RMB6,973 thousand and RMB10,459 thousand, respectively. For the year ended 31 December 2023, the total transaction amount generated from the service fees paid by the Group (other than Senqi Greening) under the 2021 Senqi Greening Commercial Operational Services and Value-Added Services Framework Agreement was RMB8,747 thousand.

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.

5. **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.

For the years ended 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by BUCG and its associates under the 2021 Property Management Services Framework Agreement were RMB98,428 thousand, RMB126,098 thousand and RMB146,695 thousand, respectively.

The revision of the full-year transaction amount under the 2021 Property Management Services Framework Agreement was approved at the 2023 first extraordinary general meeting of the Company held on 19 December 2023. The annual cap for the year ended 31 December 2023 was revised from RMB146,695 thousand to RMB177,147 thousand. For details, please refer to the announcement of the Company dated 10 October 2023 and the circular of the Company dated 30 November 2023.

For the year ended 31 December 2023, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2021 Property Management Services Framework Agreement was RMB157,497 thousand.

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.

6. **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.

For the years ended 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by BUCG and its associates under the 2021 BUCG Commercial Operational Services and Value-Added Services Framework Agreement were RMB115,025 thousand, RMB165,528 thousand and RMB177,080 thousand, respectively. For the year ended 31 December 2023, the total transaction amount generated from the service fees paid by BUCG and its associates under the 2021 BUCG Commercial Operational Services and Value-Added Services Framework Agreement was RMB174,464 thousand.

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.

7. 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.

For the years ended 31 December 2021, 2022 and 2023, the annual caps of the total service fee paid by the Group (other than Tiannuo Property) under the 2021 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement are RMB125 thousand, RMB137 thousand and RMB150 thousand, respectively, and the annual caps of the total service fee paid by Tiannuo Property are RMB722 thousand, RMB1,872 thousand and RMB2,808 thousand, respectively. For the year ended 31 December 2023, the total transaction amount generated from the service fees paid by the Group (other than Tiannuo Property) under the 2021 Tiannuo Property Commercial Operational Services and Value-Added Services Framework Agreement was RMB113 thousand, and the total transaction amount generated from the service fees paid by Tiannuo Property was RMB183 thousand.

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.

8. **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.

For the years ended 31 December 2021, 2022 and 2023, the annual caps of the total amount of service fees paid by the Group under the 2021 Engineering and Laboring Services Framework Agreement were RMB48,278 thousand, RMB53,106 thousand and RMB56,416 thousand, respectively.

The revision of the annual transaction amount under the 2021 Engineering and Laboring Services Framework Agreement was approved at the 2023 first extraordinary general meeting of the Company held on 19 December 2023. The annual cap for the year ending 31 December 2023 was revised from RMB56,416 thousand to RMB62,286 thousand. Please refer to the announcement of the Company dated 10 October 2023 and the circular dated 30 November 2023 for details.

For the year ended 31 December 2023, total transaction amount arising from the service fees paid by the Group under the 2021 Engineering and Laboring Services Framework Agreement was RMB26,060 thousand.

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.

9. 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.

For the years ended 31 December 2021, 2022 and 2023, the annual caps of the total amount of service fees paid by BUCG and its associates under the 2021 Property Ancillary Services Framework Agreement were RMB27,600 thousand, RMB42,667 thousand and RMB58,748 thousand, respectively. For the year ended 31 December 2023, the total transaction amount arising from the service fees paid by BUCG and its associates under the 2021 Property Ancillary Services Framework Agreement was RMB19,048 thousand.

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.

10. 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 2023, under the leasing and sales at the base price model, (1) the maximum balance of 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) were RMB19,270 thousand; and (2) the service fee was RMB0 under the Carpark Space Leasing and Sales Services Framework Agreement.

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 2023, under the acquisition of rights-of-use model, (1) the transfer price of the rights-of-use of the carpark spaces was RMB126,169 thousand; and (2) the service fee was RMB12,945 under the Carpark Space Leasing and Sales Services Framework Agreement.

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.

RELATED PARTY TRANSACTIONS

Details of the material related party transactions entered into by the Group during the year ended 31 December 2023 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.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group had 1,865 employees (as at 31 December 2022: 2,085 employees). For the year ended 31 December 2023, the total staff costs were approximately RMB361.0 million (2022: approximately RMB428.2 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 2023 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 2023, 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 2022 annual general meeting of the Company held on 12 May 2023 reviewed and approved the appointment of KPMG as the 2023 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 2023 have been audited by KPMG, Certified Public Accountants, which will be subject to nomination for re-appointment at the forthcoming annual general meeting.

VII. Report of the Board

ACCOUNTS REVIEW

The Audit Committee of the Company has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2023, 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 2023, 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 2023 and as at the date of this annual report, the Company maintained sufficient public float in compliance with the Listing Rules.

RELATIONSHIPS WITH STAKEHOLDERS

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

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

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

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

ENVIRONMENTAL POLICY AND PERFORMANCE

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

To demonstrate the Group's commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under the Environmental, Social and Governance Reporting Guide as specified in Appendix 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,
27 March 2024

VIII. Report of the Supervisory Committee

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

The Supervisors of the Company for the year ended 31 December 2023 and up to the date of this report include:

Mr. Liu Fengyuan *(Chairman)*
Ms. Liu Fang
Mr. Wang Wei *(resigned on 12 May 2023)*
Mr. Yang Nan *(appointed on 12 May 2023 and resigned on 19 December 2023)*
Mr. Hu Mingkai *(appointed on 19 December 2023)*

MAJOR WORK OF THE SUPERVISORY COMMITTEE IN 2023

During 2023, the Supervisory Committee fulfilled its duties and obligations in a serious manner by various ways including convening Supervisory Committee meetings, participating in shareholders' general meetings, meetings of the Board in accordance with the provisions of the Listing Rules, the Articles of Association and the Rules of Procedure of the Supervisory Committee for the interests of the Shareholders. The Supervisory Committee reviewed the Company's financial accounts, and monitored its management and operation, implementation of resolutions of the shareholders' meeting, directors' and management's compliance with laws, administrative regulations and the Articles of Association when performing their respective duties.

The Supervisory Committee is of the view that, during 2023, the Company operated strictly in accordance with the requirements of relevant laws and regulations, such as the Listing Rules, and the internal control management system, such as the Articles of Association, and the Directors, senior management of the Company performed their duties diligently and faithfully in accordance with laws, regulations and the Articles of Association, thereby effectively protecting the interests of the Company and the Shareholders.

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

During the Reporting Period, the Supervisory Committee of the Company convened three meetings, which reviewed the rules of procedure of the Supervisory Committee of the Company and the work report of the Supervisory Committee of the Company in 2022. Supervisors carefully reviewed meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee. They attended all meetings of the Supervisory Committee in person and earnestly performed supervisory duties. Details are as follows:

Name	Type of Supervisor	Number of meetings attended/ convened	Attendance rate
Liu Fengyuan *(Chairman)*	Shareholder representative supervisor	3/3	100%
Liu Fang	Employee representative supervisor	3/3	100%
Wang Wei(Note 1)	Shareholder representative supervisor	2/2	100%
Yang Nan(Note 2)	Shareholder representative supervisor	1/1	100%
Hu Mingkai(Note 3)	Shareholder representative supervisor	0/0	100%

Notes:

1. Mr. Wang Wei ceased to serve as a Shareholder representative supervisor of the Company after the 2022 AGM of the Company on 12 May 2023, and the Company held two meetings of the Supervisory Committee during his tenure of office during the Reporting Period, both of which Mr. Wang Wei attended.

2. Mr. Yang Nan was appointed as a Shareholder representative supervisor of the Company upon approval at the 2022 AGM of the Company on 12 May 2023, and ceased to serve as a Shareholder representative supervisor of the Company after the 2023 first extraordinary general meeting of the Company on 19 December 2023. During his tenure of office, only one meeting of the Supervisory Committee was held by the Company during the Reporting Period.

3. Mr. Hu Mingkai was appointed as a Shareholder representative supervisor of the Company upon the approval at the 2023 first extraordinary general meeting of the Company on 19 December 2023. No meetings of the Supervisory Committee were held by the Company during his tenure of office during the Reporting Period.

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

Evaluation on behaviors of the Board and the senior management in 2023

During 2023, the Board and the senior management performed their duties diligently, operated business in compliance with laws, thoroughly learnt about the operation of the Company and conducted adequate discussions so as to make collective decisions on relevant matters of the Company and facilitate the implementation of various resolutions passed by the Board.

During 2023, procedures for making major operating decisions of the Company were legal and valid. The Directors and senior management of the Company were able to conscientiously perform their duties with a pioneering spirit in strict compliance with national laws and regulations, relevant provisions of the Articles of Association and resolutions of shareholders' meetings and the Board; none of the Directors or senior management of the Company were found by the Supervisory Committee to have committed any acts in contravention of laws, regulations or the Articles of Association or detrimental to the interests of the Shareholders and the Company.

VIII. Report of the Supervisory Committee

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

Lawful operation of the Company

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

Financial report of the Company

The Supervisory Committee of the Company conducted a careful and detailed inspection of the Company's financial condition, and reviewed the Group's audited financial report for the year ended 31 December 2023 and other financial information. It believed that the financial report has reflected the Company's operating results and financial condition in a comprehensive, truthful and objective manner. Financial accounts were unambiguous, accounting and financial management were in compliance with relevant regulations, and no problem was found, and they were not aware of any violation of the relevant accounting standards and legal requirements by the personnel who were involved in the preparation and review of the annual report; the unqualified opinion on financial report issued by the audit firm was objective and fair.

Major initiatives of the Supervisory Committee for 2024

In 2024, the Supervisory Committee will work diligently and faithfully under relevant requirements of the Listing Rules, the Articles of Association and the Rules of Procedure of the Supervisory Committee, implement effective supervision on the Directors and senior management of the Company, closely monitor the operation and management of the Company, pay attention to any significant development of the Company to promote sustainable development of the Company, and faithfully safeguard the interests of the Shareholders and the Company as a whole. Meanwhile, the Supervisory Committee will further integrate supervision resources, procure improvement in management, assist in and ensure successful realization of the Company's work targets for 2024.

IX. 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 94 to 172, which comprise the consolidated statement of financial position as at 31 December 2023, 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 2023 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 2023, the Group's gross trade receivables and an allowance for expected credit losses ("ECLs") amounted to RMB855,817,000 and RMB136,653,000, 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 2023 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.

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

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

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

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

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

KPMG

Certified Public Accountants

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

27 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023
(Expressed in Renminbi ("RMB"))

	Note	**2023**	2022
		RMB'000	RMB'000
Revenue	4	**1,829,381**	1,567,164
Cost of sales		**(1,453,000)**	(1,219,859)
Gross profit		**376,381**	347,305
Other income	5	**18,995**	12,844
Administrative expenses		**(197,428)**	(197,974)
Selling expenses		**(11,079)**	(9,737)
Expected credit loss on trade and other receivables	6(d)	**(52,623)**	(22,405)
Profit from operations		**134,246**	130,033
Finance income	6(a)	**20,524**	22,245
Finance costs	6(b)	**(2,731)**	(2,194)
Share of profit of an associate		**17**	–
Profit before taxation	6	**152,056**	150,084
Income tax	7(b)	**(36,368)**	(34,917)
Profit for the year		**115,688**	115,167

The notes on pages 101 to 172 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023
(Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
Profit for the year		**115,688**	115,167
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations	23(b)	**(896)**	(1,409)
Income tax relating to remeasurement of defined benefit obligations		**224**	352
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves	27(d)	**(13,184)**	(23,147)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		**3,296**	5,786
Other comprehensive income for the year		**(10,560)**	(18,418)
Total comprehensive income for the year		**105,128**	96,749
Profit attributable to:			
Equity shareholders of the Company		**113,594**	114,200
Non-controlling interests		**2,094**	967
		115,688	115,167
Total comprehensive income attributable to:			
Equity shareholders of the Company		**103,012**	95,782
Non-controlling interests		**2,116**	967
		105,128	96,749
Earnings per share (RMB)	10	**0.77**	0.78

The notes on pages 101 to 172 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 2023
(Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
Non-current assets			
Investment properties	11	**107,960**	107,710
Property, plant and equipment and right-of-use assets	12	**208,856**	60,739
Intangible assets	13	**13,743**	14,002
Other financial assets	15	**59,396**	72,580
Investment in an associate	16	**3,617**	–
Deferred tax assets	25(b)	**61,999**	44,027
		455,571	299,058
Current assets			
Inventories	17	**618**	5,844
Prepayments, trade and other receivables	18	**794,126**	726,229
Restricted cash	19(a)	**11,875**	7,592
Cash and cash equivalents	19(a)	**1,105,235**	1,140,733
		1,911,854	1,880,398
Current liabilities			
Trade and other payables	20	**972,233**	973,682
Contract liabilities	21	**296,833**	305,567
Lease liabilities	22	**95,213**	646
Current taxation	25(a)	**25,316**	12,716
		1,389,595	1,292,611
Net current assets		**522,259**	587,787
Total assets less current liabilities		**977,830**	886,845
Non-current liabilities			
Lease liabilities	22	**20,291**	490
Deferred tax liabilities	25(b)	**33,644**	34,323
Defined benefit obligations	23	**68,684**	69,663
		122,619	104,476
NET ASSETS		**855,211**	782,369

The notes on pages 101 to 172 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2023
(Expressed in RMB)

	Note	**2023**	2022
		RMB'000	RMB'000
CAPITAL AND RESERVES			
Share capital	26	**146,667**	146,667
Reserves	26	**677,842**	606,730
Total equity attributable to equity shareholders of the Company		**824,509**	753,397
Non-controlling interests		**30,702**	28,972
TOTAL EQUITY		**855,211**	782,369

Approved and authorised for issue by the board of directors on 27 March 2024.

Name: Zhang Weize	**Name: Yang Jun**
Position: Chairman of the Board	*Position: Director*

The notes on pages 101 to 172 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023
(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 2022		146,667	244,415	49	(4,861)	2,987	291,546	680,803	23,404	704,207
Changes in equity for 2022:										
Profit for the year		–	–	–	–	–	114,200	114,200	967	115,167
Other comprehensive income		–	–	–	(1,057)	(17,361)	–	(18,418)	–	(18,418)
Total comprehensive income		–	–	–	(1,057)	(17,361)	114,200	95,782	967	96,749
Capital contribution from non-controlling shareholders		–	–	–	–	–	–	–	1,960	1,960
Dividends declared in respect of the previous years	26(c)	–	–	–	–	–	(23,188)	(23,188)	–	(23,188)
Distribution to subsidiaries' non-controlling shareholders		–	–	–	–	–	–	–	(2,556)	(2,556)
Appropriation to statutory reserve		–	–	2,662	–	–	(2,662)	–	–	–
Acquisition of a subsidiary		–	–	–	–	–	–	–	5,197	5,197
Balance at 31 December 2022		146,667	244,415	2,711	(5,918)	(14,374)	379,896	753,397	28,972	782,369

The notes on pages 101 to 172 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023
(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 101 to 172 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2023
(Expressed in RMB)

	Note	**2023**	2022
		RMB'000	RMB'000
Operating activities			
Cash generated from operations	19(b)	**78,795**	161,190
Income taxes paid	25(a)	**(38,899)**	(45,093)
Net cash generated from operating activities		**39,896**	116,097
Investing activities			
Purchases of property, plant and equipment		**(34,933)**	(31,868)
Purchases of intangible assets		**(1,928)**	(4,115)
Proceeds from disposal of property, plant and equipment		**595**	70
Net cash outflow from acquisition of a subsidiary		**–**	(2,168)
Dividend received from unlisted equity investments		**1,050**	500
Investments in an associate		**(3,600)**	–
Net cash used in investing activities		**(38,816)**	(37,581)
Financing activities			
Capital element of lease rentals paid	19(c)	**(3,176)**	(1,188)
Interest element of lease rentals paid	19(c)	**(705)**	(94)
Capital injection from non-controlling shareholders		**–**	1,960
Listing expense paid		**(169)**	(4,876)
Dividends paid to equity shareholders of the Company	26(c)	**(31,900)**	(23,188)
Distribution to subsidiaries' non-controlling shareholders		**(386)**	(2,556)
Net cash used in financing activities		**(36,336)**	(29,942)
Net (decrease)/increase in cash and cash equivalents		**(35,256)**	48,574
Cash and cash equivalents at 1 January	19(a)	**1,140,733**	1,087,296
Effect of foreign exchange rate changes	5	**(242)**	4,863
Cash and cash equivalents at 31 December	19(a)	**1,105,235**	1,140,733

The notes on pages 101 to 172 form part of these financial statements.

1 CORPORATION INFORMATION

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

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

2 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 2023 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 mainland China.

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

– *investment property (see Note 2(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 new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 1, *Presentation of financial statements* and IFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

Expect for Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction,* 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)*

(c) Changes in accounting policies *(Continued)*

Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in Note 25(b), but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under IAS 12.

(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.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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)).

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.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(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.

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 at each reporting date 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).

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. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

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

2 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, contract assets 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);

– contract assets (see Note 2(m)); 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, contract assets 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 and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

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

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

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 and contract assets 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, contract assets 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, contract assets 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 or contract asset 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, contract assets 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 assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(u)) before being unconditionally entitled to the consideration under the payment terms in the contract. Contract assets are assessed for ECLs (see Note 2(k)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(n)).

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 grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(r) Employee benefits *(Continued)*

(iii) Share-based payments *(Continued)*

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.

(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;

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Income tax *(Continued)*

- 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.

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.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

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

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.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

(i) Property management services *(Continued)*

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

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

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

(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)).

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

(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.

(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.

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

(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).

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(x) Related parties *(Continued)*

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

(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.

(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.

3 ACCOUNTING JUDGEMENT AND ESTIMATES *(Continued)*

(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.

(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.

4 REVENUE AND SEGMENT REPORTING *(Continued)*

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

	2023 **RMB'000**	2022 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by timing of revenue recognition		
– Revenue recognised over time	**1,773,444**	1,537,886
– Revenue recognised at point in time	**2,018**	1,543
Revenue from other sources		
– Rental income	**53,919**	27,735
	1,829,381	1,567,164
Disaggregated by service lines		
– Property management services	**1,131,296**	935,352
– Value-added services to non-property owners	**358,830**	310,911
– Community value-added services	**339,255**	320,901
	1,829,381	1,567,164

For the year ended 31 December 2023, revenue from Beijing Urban Construction Group Co., Ltd. ("BUCG") and its subsidiaries (together, the "BUCG Group") contributed 19.9% (2022: 20.3%) of the Group's revenue. Other than the BUCG Group, the Group's customer base is diversified and none of them contributed 10% or more of the Group's revenue during the year ended 31 December 2023 (2022: nil).

5 OTHER INCOME

	Note	**2023** **RMB'000**	2022 RMB'000
Fair value gain of investment properties (Note 11)		**250**	2,480
Net gains/(losses) on disposal of property, plant and equipment and right-of-use assets		**12,941**	(89)
Additional deduction of input value-added tax ("VAT")	(i)	**5,132**	5,191
Net foreign exchange (losses)/gains		**(242)**	4,863
Others		**914**	399
		18,995	12,844

Note:

(i) Pursuant to Caishui [2023] No. 1 Announcement on Clarifying the VAT Deduction Policy for the Small-scale Taxpayers, taxpayers engaging in the provision of modern services are allowed to deduct extra 5% of the deductible input VAT for the year ended 31 December 2023.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

(a) Finance income

	2023 **RMB'000**	2022 RMB'000
Interest income on bank deposits	**20,524**	22,245

(b) Finance costs

	2023 **RMB'000**	2022 RMB'000
Interest on defined benefit obligations (Note 23(b))	**2,026**	2,100
Interest on lease liabilities (Note 12)	**705**	94
	2,731	2,194

6 PROFIT BEFORE TAXATION *(Continued)*

(c) Staff costs

	Note	2023 RMB'000	2022 RMB'000
Salaries, wages and other benefits		**319,241**	383,935
Expenses (reversed)/recognised in respect of defined benefit retirement plans (Note 23(b))		**(1,557)**	1,853
Contributions to defined contribution retirement plan	(i)	**43,319**	42,444
		361,003	428,232

Note:

(i) Employees of the Group's entities in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's 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

	2023 RMB'000	2022 RMB'000
Amortisation cost of intangible assets (Note 13)	**2,077**	1,349
Depreciation charge (Note 12)		
– Property, plant and equipment	**16,255**	12,523
– Right-of-use assets	**5,946**	1,879
Bank charges	**2,515**	2,243
Cost of inventories (Note 17)	**1,944**	1,374
Expected credit loss on trade and other receivables		
– Trade receivables (Note 18(b))	**52,623**	22,448
– Other receivables	**–**	(43)
Auditors' remuneration		
– Audit services	**3,580**	3,557
– Other services	**337**	264

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:

	2023 **RMB'000**	2022 RMB'000
Current tax – PRC Corporate Income Tax		
Provision for the year (Note 25(a))	**51,499**	41,149
Deferred tax		
Origination and reversal of temporary differences (Note 25(b)(i))	**(15,131)**	(6,232)
	36,368	34,917

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

	Note	**2023** **RMB'000**	2022 RMB'000
Profit before taxation		**152,056**	150,084
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	(i)	**38,014**	37,521
Tax effect of PRC preferential tax rates	(ii)	**(1,446)**	(973)
Tax effect of non-deductible expenses		**50**	108
Tax effect of non-taxable profit		**–**	(1,747)
Others		**(250)**	8
Actual tax expense		**36,368**	34,917

Notes:

(i) The provision for PRC Corporate Income Tax for the years ended 31 December 2023 and 2022 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 2023 (2022: 2.5% or 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 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

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

Year ended 31 December 2022	Directors' fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Chairman and Executive Director					
Zhang Weize	–	344	826	96	1,266
Executive Directors					
Yang Jun	–	344	828	96	1,268
Yao Xin	–	317	632	95	1,044
Luo Zhou	–	317	610	96	1,023
Non-executive Directors					
Kong Weiping	120	–	–	–	120
Cheng Peng	120	–	0	–	120
Kong Chi Mo	120	–	–	–	120
Xie Ping (resigned on 28 October 2022)	–	–	–	–	–
Mao Lei	–	–	–	–	–
Jiang Xin (appointed on 28 October 2022)	–	–	–	–	–
Supervisors					
Liu Fengyuan	–	–	–	–	–
Wang Wei	–	–	–	–	–
Liu Fang	–	274	478	87	839
	360	1,596	3,374	470	5,800

During the years ended 31 December 2023 and 2022, Mr. Wang Wei, Mr. Xie Ping, Mr. Hu Ming Kai, Mr. Mao Lei, Mr. Yang Nan, 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 2023 and 2022, 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 (2022: four) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other one (2022: one) individual is as follows:

	2023	2022
	RMB'000	RMB'000
Salaries and other allowances	**322**	317
Discretionary bonus	**680**	647
Retirement scheme contributions	**104**	94
	1,106	1,058

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

	2023	2022
HKD1,000,001 – HKD1,500,000	**1**	1

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 RMB113,594,000 (2022: RMB114,200,000) and the weighted average of 146,667,000 ordinary shares (2022: 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 2023 and 2022.

11 INVESTMENT PROPERTIES

	Note	**2023**	2022
		RMB'000	RMB'000
Fair value			
At 1 January		**107,710**	105,230
Change in fair value	5	**250**	2,480
At 31 December		**107,960**	107,710

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

	2023	2022
	RMB'000	RMB'000
Investment properties located in Beijing, the PRC:		
– Residential – Level 3	**3,190**	3,150
– Commercial – Level 3	**104,770**	104,560
	107,960	107,710

(Expressed in RMB unless otherwise indicated)

11 INVESTMENT PROPERTIES *(Continued)*

During the year ended 31 December 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2022: 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 2023 and 2022. The valuations were carried out by an independent firm, Cushman & Wakefield, with recent experience in the location and category of properties being valued. The Group's management have had discussion with the surveyors on the valuation assumptions and valuation.

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

Investment properties held by the Group in the consolidated statements of financial position	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Residential	Market approach The key input is: – Market price	Market price per sq.m: RMB48,000 (2022: RMB47,400)	The higher the market price, the higher the market value
Commercial	Income approach The key inputs are: – Capitalisation rate – Unit rent of individual unit	Capitalisation rate: 5.5% – 6.0% (2022: 5.5% – 6.0%)	The higher the capitalisation rate, the lower the market value
		Unit rent of individual unit per sq.m. per month: RMB113 – RMB188 (2022: RMB112– RMB187)	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:

	2023	2022
	RMB'000	RMB'000
Within 1 year	**6,943**	6,981
After 1 years but within 2 years	**2,566**	3,108
After 2 years but within 3 years	**–**	1,313
	9,509	11,402

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	Right-of-use assets RMB'000	Total RMB'000
Cost:						
At 1 January 2022	14,538	3,617	36,778	54,933	11,886	66,819
Acquisition of a subsidiary	–	–	2,732	2,732	–	2,732
Additions	1,869	94	39,541	41,504	341	41,845
Disposals	–	(245)	(1,966)	(2,211)	(8,927)	(11,138)
At 31 December 2022	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
Accumulated depreciation:						
At 1 January 2022	(9,598)	(2,408)	(15,125)	(27,131)	(6,051)	(33,182)
Charge for the year	(1,270)	(291)	(10,962)	(12,523)	(1,879)	(14,402)
Written back on disposals	–	232	1,809	2,041	6,024	8,065
At 31 December 2022	(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)
Carrying amount:						
At 31 December 2023	9,285	892	51,277	61,454	147,402	208,856
At 31 December 2022	5,539	999	52,807	59,345	1,394	60,739

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	**2023**	2022
		RMB'000	RMB'000
Acquired right-of-use in parking lots, carried at depreciated cost	(i)	**101,216**	–
Other properties leased, carried at depreciated cost	(ii)	**46,186**	1,394
		147,402	1,394

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

In December 2023, under the Carpark Space Leasing and Sales Services Framework Agreement, the Group entered into a carpark space right-of use transfer contract with the BUCG Group at a total consideration of RMB126,169,000. Pursuant to the contract, the BUCG Group agreed to transfer the right-of-use of the carpark spaces to the Group from the date signing of the contract to the date of expiry of the term of the land use right in relation to the carpark spaces. The Group recognised right-of-use assets and lease liabilities at the amount of RMB122,980,000. In accordance with the contract, the Group shall settle all lease liabilities by 30 June 2025.

(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:

	2023	2022
	RMB'000	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
– Acquired right-of-use in parking lots	**268**	–
– Other properties leased	**5,678**	1,879
	5,946	1,879
Interest on lease liabilities	**705**	94
Expense relating to short-term leases	**11,558**	4,328

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

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

(ii) Other properties leased (Continued)

During the years ended 31 December 2023, additions to right-of-use assets included the purchase of right-of-use in parking lots of RMB122,980,000, and the remainder primarily related to lease prepayments and the capitalised lease payments payable under new tenancy agreements of RMB50,774,000 (2022:RMB341,000).

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 lease. 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:

	2023	2022
	RMB'000	RMB'000
Within 1 year	**6,048**	7,374
1 to 2 years	**1,294**	–
	7,342	7,374

13 INTANGIBLE ASSETS

	Software RMB'000	Customer relationship RMB'000	Total RMB'000
Cost:			
At 1 January 2022	4,605	–	4,605
Additions	6,337	–	6,337
Acquisition of a subsidiary	281	5,884	6,165
At 31 December 2022	11,223	5,884	17,107
Additions	1,818	–	1,818
At 31 December 2023	13,041	5,884	18,925
Accumulated amortisation:			
At 1 January 2022	(1,756)	–	(1,756)
Charge for the year	(600)	(749)	(1,349)
At 31 December 2022	(2,356)	(749)	(3,105)
Charge for the year	(793)	(1,284)	(2,077)
At 31 December 2023	(3,149)	(2,033)	(5,182)
Net book value:			
At 31 December 2023	9,892	3,851	13,743
At 31 December 2022	8,867	5,135	14,002

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.

Company name	Place of establishment and operation	Particulars of registered/paid-in capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Beijing Urban Construction Group Properties Co., Ltd. 北京城建置業有限公司 (Notes (i) and (ii))	The PRC	RMB 100,000,000/ 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	RMB 50,000,000/ 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	RMB 50,000,000/ 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	RMB 15,000,000/ 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	RMB 5,000,000/ 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	RMB 12,000,000/ 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	RMB 2,000,000/ 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	RMB 10,600,000/ 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	2023 RMB'000	2022 RMB'000
Equity investments designated at FVOCI			
– Unlisted equity investments	27(d)	**59,396**	72,580

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			
Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid up 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	Established	The PRC	RMB 30,000,000/ 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.

17 INVENTORIES

	2023 RMB'000	2022 RMB'000
Raw materials	**561**	702
Low-value consumables	**57**	99
Parking lots for sales	**–**	5,043
	618	5,844

17 INVENTORIES *(Continued)*

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

	2023 **RMB'000**	2022 RMB'000
Carrying amount of inventories sold	**1,944**	1,374

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

18 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2023 **RMB'000**	2022 RMB'000
Trade receivables		
– related parties (Note 29(c))	**262,945**	206,548
– third parties	**592,872**	532,493
	855,817	739,041
Less: allowance for trade receivables (Note 27(a))	**(136,653)**	(84,030)
	719,164	655,011
Other receivables due from related parties (Note 29(c))	**24,033**	1,988
Dividends receivable	**–**	1,050
Deposits	**10,251**	6,399
Other receivables	**7,054**	4,842
Less: allowance for other receivables	**(1,030)**	(1,030)
	40,308	13,249
Financial assets measured at amortised cost	**759,472**	668,260
Prepayments		
– related parties (Note 29(c))	**–**	19,290
– third parties	**25,881**	30,034
Input VAT to be deducted	**8,773**	8,645
	794,126	726,229

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

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

As at 31 December 2023, other receivables due from related parties are unsecured and interest-free. Details of the amounts due from related parties are set out in Note 29(c).

(a) Ageing analysis

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

	2023 **RMB'000**	2022 RMB'000
Within 1 year	**457,050**	445,399
1 to 2 years	**139,855**	134,928
2 to 3 years	**86,941**	58,265
3 to 4 years	**25,972**	10,354
4 to 5 years	**4,426**	2,418
Over 5 years	**4,920**	3,647
	719,164	655,011

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:

	2023 **RMB'000**	2022 RMB'000
At 1 January	**84,030**	61,582
Expected credit loss recognised	**52,623**	22,448
At 31 December	**136,653**	84,030

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	2023	2022
	RMB'000	RMB'000
Cash on hand	**67**	78
Cash at bank	**1,117,043**	1,148,247
Less: restricted cash (Note)	**11,875**	7,592
	1,105,235	1,140,733

The Company

	2023	2022
	RMB'000	RMB'000
Cash at bank	**816,637**	938,785

Note: As at 31 December 2023 and 2022, restricted cash mainly represents cash deposited in banks as joint accounts with property owners, mainly including the property management fees the Group collected from the projects under commission basis.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

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

	Note	2023 RMB'000	2022 RMB'000
Profit before taxation		**152,056**	150,084
Adjustments for:			
Finance costs	6(b)	**2,731**	2,194
Depreciation of property, plant and equipment and right-of-use assets	12	**22,201**	14,402
Amortisation of intangible assets	13	**2,077**	1,349
Changes in fair value of investment properties	11	**(250)**	(2,480)
Share of profit of an associate		**(17)**	–
Expected credit loss on trade and other receivables	6(d)	**52,623**	22,405
Net (gains)/losses on disposal of property, plant and equipment and right-of-use assets	5	**(12,941)**	89
Gain on acquisition of a subsidiary		**–**	(15)
Foreign exchange losses/(gains)	5	**242**	(4,863)
Changes in working capital:			
Decrease/(increase) in inventories		**183**	(182)
Increase in prepayments, trade and other receivables		**(137,964)**	(247,469)
Increase in restricted cash		**(4,283)**	(1,540)
(Decrease)/increase in contract liabilities		**(8,734)**	30,852
Increase in trade and other payables		**14,772**	196,552
Decrease in defined benefit obligations		**(3,901)**	(188)
Cash generated from operations		**78,795**	161,190

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

(c) Reconciliation of liabilities arising from financing activities

Lease liabilities	**2023** **RMB'000**	2022 RMB'000
At 1 January	**1,136**	4,897
Changes from financing cash flows:		
Capital element of lease rentals paid	**(3,176)**	(1,188)
Interest element of lease rentals paid	**(705)**	(94)
Total changes from financing cash flows	**(3,881)**	(1,282)
Other changes:		
Increase/(decrease) in lease liabilities	**117,544**	(2,573)
Finance costs (Note 6(b))	**705**	94
Total other changes	**118,249**	(2,479)
At 31 December	**115,504**	1,136

(d) Total cash outflow for leases

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

	2023 **RMB'000**	2022 RMB'000
Within operating cash flows (Note 12(a))	**(11,558)**	(4,328)
Within financing cash flows	**(3,881)**	(1,282)
	(15,439)	(5,610)

These amounts relate to the following:

	2023 **RMB'000**	2022 RMB'000
Lease rentals paid	**(15,439)**	(5,610)

20 TRADE AND OTHER PAYABLES

The Group

	2023 RMB'000	2022 RMB'000
Trade payables		
– related parties (Note 29(c))	**42,087**	77,215
– third parties	**440,778**	369,441
	482,865	446,656
Amounts due to related parties (Note (i))	**24,044**	48,518
Accrued payroll and other benefits	**20,296**	21,303
Other taxes and charges payable	**51,327**	40,111
Deposits (Note (ii))	**67,865**	72,020
Receipts on behalf of property owners and tenants (Note (iii))	**81,742**	72,254
Housing maintenance funds payable (Note (iv))	**184,633**	214,229
Other payables and accruals	**59,461**	58,591
	489,368	527,026
	972,233	973,682

20 TRADE AND OTHER PAYABLES *(Continued)*

The Company

	2023 **RMB'000**	2022 RMB'000
Trade payables		
– related parties	**54,472**	42,269
– third parties	**19,460**	25,522
	73,932	67,791
Amounts due to subsidiaries	**640,554**	718,845
Accrued payroll and other benefits	**386**	292
Other taxes and charges payable	**944**	2,899
Other payables and accruals	**642**	1,165
	642,526	723,201
	716,458	790,992

Notes:

(i) Starting from 2020, the Group received refurbishment payment from a tenant on behalf of fellow subsidiaries of BUCG, which provided refurbishment services to such tenant. As a result, the amount due to related parties at 31 December 2023 included the refurbishment payment of RMB11,571,000 (2022: RMB16,624,000).

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

(iii) Receipts on behalf of property owners and tenants mainly represent utility charges received from residents on behalf of utility companies and operation income on public facilities received on behalf of property owners.

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

(v) All the trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

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:

	2023	2022
	RMB'000	RMB'000
Within 1 year	**458,998**	362,842
1 to 2 years	**13,802**	70,320
2 to 3 years	**9,347**	246
Over 3 years	**718**	13,248
	482,865	446,656

21 CONTRACT LIABILITIES

	2023	2022
	RMB'000	RMB'000
Billings in advance of performance		
– related parties (Note 29(c))	**55**	1,892
– third parties	**296,778**	303,675
	296,833	305,567

21 CONTRACT LIABILITIES *(Continued)*

Movements in contract liabilities

	2023	2022
	RMB'000	RMB'000
Balance at 1 January	**305,567**	273,682
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	**(287,038)**	(273,349)
Increase by cash received	**278,304**	305,234
Balance at 31 December	**296,833**	305,567

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 RMB2,625,000 (2022: RMB1,262,000).

22 LEASE LIABILITIES

	2023	2022
	RMB'000	RMB'000
Within 1 year	**95,213**	646
After 1 year but within 2 years	**6,409**	490
After 2 years but within 5 years	**13,882**	–
	20,291	490
	115,504	1,136

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 2023 and 2022 were carried out by an independent firm of actuaries, Willis Towers Watson, a member of China Association of Actuaries, using the Projected Unit Credit actuarial cost method.

The plans expose the Group to actuarial risks, such as interest rate risk and longevity risk. Information about the plans is disclosed below:

(a) The amounts recognised in the consolidated statement of financial position are as follows:

	2023 **RMB'000**	2022 RMB'000
Present value of the defined benefit obligations	**68,684**	69,663

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 RMB2,898,000 to defined benefit retirement plans in 2024.

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

	2023 **RMB'000**	2022 RMB'000
At 1 January	**69,663**	66,342
Remeasurements:		
– actuarial losses arising from changes in financial assumptions	**896**	1,409
Benefits paid by the Group	**(2,344)**	(2,041)
Current service cost	**(1,557)**	1,853
Interest cost	**2,026**	2,100
At 31 December	**68,684**	69,663

23 DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

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

	2023 RMB'000	2022 RMB'000
Current service cost	**(1,557)**	1,853
Interest on defined benefit obligations	**2,026**	2,100
Total amounts recognised in profit or loss	**469**	3,953
Actuarial losses	**896**	1,409
Total amounts recognised in other comprehensive income	**896**	1,409
Total defined benefit costs	**1,365**	5,362

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:

	2023 RMB'000	2022 RMB'000
Administrative expenses	**(1,557)**	1,853
Finance costs	**2,026**	2,100
	469	3,953

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

	2023	2022
Discount rate – post-employment benefits	**2.75%**	3.00%
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)

23 DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

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

During the reporting period, the weighted-average duration of post-employment benefits and termination benefits of the defined benefit obligations was 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	
	2023	2022
	RMB'000	RMB'000
Discount rate		
– increase by 0.25%	**(2,850)**	(2,698)
– decrease by 0.25%	**3,057**	2,888
Annual withdrawal rate		
– increase by 1%	**(1,928)**	(2,064)
– decrease by 1%	**2,236**	2,398
Annual increase rate of medical benefits		
– increase by 1%	**9,027**	9,513
– decrease by 1%	**(6,805)**	(7,164)

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.

	2023 **RMB'000**
Total carrying amount of liabilities for SARs	**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.

	Grant date 19 December 2023	Measurement date 31 December 2023
Fair value at measurement date	RMB0.70	RMB1.03
Share price	RMB3.03	RMB3.51
Exercise price	RMB3.36	RMB3.36
Expected volatility (weighted average)	32.45%	33.40%
Expected life (weighted average)	3.5 years	3.5 years
Expected dividends	0%	0%
Risk-free interest rate (based on government bonds)	2.41%	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 2023. The options outstanding at 31 December 2023 had an exercise price of RMB3.36 and a weighted-average remaining contractual life of 3.95 years.

25 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	2023 RMB'000	2022 RMB'000
PRC Corporate Income Tax		
At 1 January	**12,716**	16,558
Charged to profit or loss	**51,499**	41,149
Acquisition of a subsidiary	**–**	102
Payments during the year	**(38,899)**	(45,093)
At 31 December	**25,316**	12,716

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 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 2022	15,551	16,586	102	–	(802)	630	(32,174)	(995)	–	(1,102)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	(1,564)	(1,564)
Credited/(charged) to profit or loss	5,533	478	16	618	555	(582)	(620)	–	234	6,232
Credited to other comprehensive income	–	352	–	–	–	–	–	5,786	–	6,138
At 31 December 2022 and 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	**33,817**	**17,170**	**2,578**	**347**	**(31,675)**	**31,848**	**(32,856)**	**8,087**	**(961)**	**28,355**

(ii) Reconciliation to the consolidated statement of financial position

	2023 RMB'000	2022 RMB'000
Net deferred tax asset recognised in the consolidated statements of financial position	**61,999**	44,027
Net deferred tax liability recognised in the consolidated statements of financial position	**(33,644)**	(34,323)
	28,355	9,704

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 2022	146,667	942,782	49	(167)	442	1,089,773
Changes in equity for 2022:						
Profit for the year	–	–	–	–	26,621	26,621
Other comprehensive income	–	–	–	(407)	–	(407)
Total comprehensive income	–	–	–	(407)	26,621	26,214
Appropriation to statutory reserve	–	–	2,662	–	(2,662)	–
Dividends declared in respect of the previous years (Note 26(c))	–	–	–	–	(23,188)	(23,188)
Balance at 31 December 2022 and 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	146,667	942,782	5,670	(712)	(4,060)	1,090,347

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

(b) Share capital

	At 31 December 2023		At 31 December 2022	
	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:

	2023	2022
	RMB'000	RMB'000
Final dividend proposed after the end of the reporting period of RMB21.17 cents (2022: RMB21.75 cents) per ordinary share	**31,049**	31,900

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:

	2023	2022
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB21.75 cents per ordinary share (2022: RMB15.81 cents)	**31,900**	23,188

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 2023 and 2022, appropriation to surplus reserve made by the Company's subsidiaries amounting to RMB66,301,000 and RMB58,841,000 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.

	2023	2022
NCI percentage	**50%**	50%
Current assets	**93,490**	99,084
Non-current assets	**13,892**	14,357
Current liabilities	**(65,201)**	(70,479)
Non-current liabilities	**(745)**	(1,238)
Net assets	**41,436**	41,724
Carrying amount of NCI	**20,718**	20,862
Revenue	**157,493**	164,393
Profit for the year	**484**	2,450
Total comprehensive income	**484**	2,450
Profit allocated to NCI	**242**	1,225
Dividend paid to NCI	**386**	535

(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, dividends receivable, deposits and prepayments, interest receivables, and amounts due from staff included in other receivables, the Group has assessed that the expected credit loss rate for these receivables is immaterial under 12 months expected losses method based on historical settlement records and looking-forward information. Thus except for RMB1,030,000 (2022: 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 based on historical settlement records and forward-looking information. The Group has large number of customers and there was no concentration of credit risk. In addition, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group considers that a default event occurs when there is significant decrease in services fee collection rate and estimates the expected credit loss rate for the reporting period. Normally, the Group does not obtain collateral from customers.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2023 and 2022.

	2023			2022		
	Expected loss rate %	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Related parties	**0.10%**	**262,945**	**(263)**	0.10%	206,548	(207)
Third parties						
Within 1 year	**7.34%**	**315,023**	**(23,115)**	7.00%	338,052	(23,650)
1 – 2 years	**25.28%**	**120,641**	**(30,494)**	17.65%	105,353	(18,598)
2 – 3 years	**36.10%**	**82,931**	**(29,938)**	26.87%	52,188	(14,022)
3 – 4 years	**55.62%**	**42,526**	**(23,654)**	46.75%	15,483	(7,239)
4 – 5 years	**79.81%**	**12,687**	**(10,125)**	73.90%	4,226	(3,123)
Over 5 years	**100.00%**	**19,064**	**(19,064)**	100.00%	17,191	(17,191)
		855,817	**(136,653)**		739,041	(84,030)

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 2023, trade receivables from third parties accounted for 69.3% (2022: 72.1%) 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.

	2023					2022				
	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	**972,233**	**–**	**–**	**972,233**	**972,233**	973,682	–	–	973,682	973,682
Lease liabilities	**99,092**	**7,075**	**14,596**	**120,763**	**115,504**	681	504	–	1,185	1,136
	1,071,325	**7,075**	**14,596**	**1,092,996**	**1,087,737**	974,363	504	–	974,867	974,818

(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	
		2023	2022
		RMB'000	RMB'000
Recurring fair value measurements			
Other financial assets			
– Equity investments designated at FVOCI	Level 3	**59,396**	**72,580**

During the year ended 31 December 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2022: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

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 year end.	Income approach and market approach The key inputs are: – Capitalisation rate; – Unit rent of individual unit; – Market price	Capitalisation rate: 5.52% – 7.02% (2022: 5.7% – 7.2%)	The higher the capitalisation rate, the lower the market value
		Unit rent per sq.m. per month: RMB75 – RMB116 (2022: RMB74 - RMB111)	The higher the unit rent, the higher the market value
		Market price per sq.m.: RMB13,490 – RMB77,138 (2022: RMB22,300 - RMB76,800)	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:

	2023 **RMB'000**	2022 RMB'000
Fair value		
At 1 January	**72,580**	95,727
Change in fair value	**(13,184)**	(23,147)
At 31 December	**59,396**	72,580

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	
	2023	2022
	RMB'000	RMB'000
Capitalisation rate		
– increase by 0.25%	**(1,516)**	(1,550)
– decrease by 0.25%	**1,577**	1,620
Unit rent per sq.m. per month		
– increase by 1%	**578**	65
– decrease by 1%	**(578)**	(65)
Market price per sq.m.		
– increase by 1%	**897**	863
– decrease by 1%	**(897)**	(936)

(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 2023 and 2022.

28 CONTINGENT ASSETS AND LIABILITIES

The Group did not have any material contingent assets or liabilities as at 31 December 2023 (2022: nil).

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:

	2023	2022
	RMB'000	RMB'000
Short-term employee benefits	**8,494**	9,672
Post-employment benefits	**1,022**	929
Cash-settled share-based payments	**11**	–
	9,527	10,601

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	**2023**	2022
	RMB'000	RMB'000
Provision of services		
– The BUCG Group	**342,984**	301,279
– Associates of the BUCG Group	**10,625**	4,529
Receiving services		
– The BUCG Group	**26,060**	52,957
Rental income		
– The BUCG Group	**20,711**	16,952
Rental expenses		
– The BUCG Group	**14,889**	4,282
Acquisition of right-of-use assets (Note 12(a)(i))		
– The BUCG Group	**122,980**	–
Deposit paid		
– The BUCG Group	**19,270**	–

29 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Balances with related parties:

	2023 RMB'000	2022 RMB'000
Trade nature		
Prepayments and trade receivables		
– The BUCG Group	**262,700**	225,027
– Associates of the BUCG Group	**245**	811
Trade payables		
– The BUCG Group	**42,087**	65,979
– Associates of the BUCG Groups	**–**	11,236
Contract liabilities		
– The BUCG Group	**55**	1,892
Lease liabilities		
– The BUCG Group	**14,852**	909
Non-trade nature		
Other receivables		
– The BUCG Group	**24,033**	3,038
Other payables		
– The BUCG Group	**24,044**	48,518

As at 31 December 2023, 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

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
Beijing Urban Construction No.2 Construction Engineering Co. Ltd. * 北京城建二建設工程有限公司	Company controlled by BUCG
Beijing Chengao Real Estate Co., Ltd. * 北京城奧置業有限公司	Company controlled by BUCG
Beijing Century Hongcheng Land Co., Ltd. * 北京世紀鴻城置業有限公司	Company controlled by BUCG
Tianjin Jingbao Real Estate Co., Ltd. * 天津京寶置業有限公司	Company controlled by BUCG
Beijing Changqing International Apartment Co., Ltd. * 北京長青國際老年公寓有限公司	Company controlled by BUCG

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

30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 December 2023 RMB'000**	As at 31 December 2022 RMB'000
Non-current assets			
Investments in subsidiaries	14	**849,320**	849,320
Property, plant and equipment and right-of-use assets		**56,835**	41,704
Intangible assets		**5,457**	3,665
Investment in an associate	16	**3,617**	–
Deferred tax assets		**4,203**	1,271
		919,432	895,960
Current assets			
Cash and cash equivalents	19(a)	**816,637**	938,785
Prepayments, trade and other receivables		**81,882**	53,514
		898,519	992,299
Current liabilities			
Trade and other payables	20	**716,458**	790,992
Lease liabilities		**734**	–
Current taxation		**–**	647
		717,192	791,639
Net current assets		**181,327**	200,660
Total assets less current liabilities		**1,100,759**	1,096,620
Non-current liabilities			
Lease liabilities		**7,073**	–
Defined benefit obligations		**3,339**	3,821
		10,412	3,821
NET ASSETS		**1,090,347**	1,092,799
CAPITAL AND RESERVES	26		
Share capital		**146,667**	146,667
Reserves		**943,680**	946,132
TOTAL EQUITY		**1,090,347**	1,092,799

Approved and authorised for issue by the board of directors on 27 March 2024.

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 27 March 2024, 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 2023, 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 2023

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 2023 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 1, *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to IAS 1, *Non-current Liabilities with Covenants*	1 January 2024
Amendments to IFRS 16, *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to IAS 7 and IFIS 7, *Supplier Finance Arrangements*	1 January 2024
Amendments to IAS 21, *Lack of Exchangeability*	1 January 2025
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined at a future date

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