



BUCCG

北京京城佳業物業股份有限公司

BEIJING CAPITAL JIAYE PROPERTY SERVICES CO., LIMITED

(於中華人民共和國註冊成立的股份有限公司)

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

股份代號 Stock Code : 2210



2024

INTERIM REPORT
中期報告

CONTENTS

	Page
I. Corporation Information	2
II. Financial Summary	5
III. Management Discussion and Analysis	6
IV. Corporate Governance and Other Information	21
V. Review Report	26
VI. Notes to the Unaudited Interim Financial Report	34



I. Corporation Information

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

As of 30 June 2024, Capital Jiaye and its subsidiaries (the “**Group**” or “**we**”) had more than 43.5 million sq.m. of area under its management and expanded its presence in 12 provinces, centrally-administered municipalities and autonomous regions across the country. The Group operated a diversified range of properties, covering residential, commercial, hutong and other properties, as well as diversified project types, including office buildings, public buildings, scientific research institutes, military barracks, medical care apartments, theatres and venues, subway stations, and office buildings of party or government organizations, etc. Representative projects include office buildings in Beijing’s sub-center, the National Stadium (Bird’s Nest), National Peking Opera Company, Beijing Institute of Fashion Technology, headquarters of large central enterprises, National Tennis Center, etc. In addition to the basic business, the value-added business covers tenant sourcing and management, real estate brokerage, sales office and display unit management and delivery, construction site property management, catering services, heat energy supply, engineering operations and maintenance, carpark space operation, move-in and furnishing and community elderly services, etc.

As a professional company engaging in property services at an earlier time among large state-owned enterprises, the Group has extensive experience in asset management and property services. The Group has developed a sound scientific management mechanism in the operation of commercial property assets and property services, and is a member unit of China Property Management Institute (中國物業管理協會), a vice president institution of the Beijing Property Management Association (北京物業管理行業協會), a member unit of the Listed Companies Association of Beijing (北京上市公司協會) and the subsidiaries are member units of Union International Concierge Organization (國際金鑰匙聯盟). The Company has been recognized as one of the “China’s Top 100 Property Management Companies” (中國物業服務百強企業) and “China’s Leading Property Management Company for Featured Service” (中國特色物業服務領先企業) for consecutive years. Capital Jiaye ranked 17th among China’s Top 100 Property Management Companies in 2024, and was awarded the titles of leading companies in social responsibility, characteristic services, satisfaction and service capabilities by China Index Academy, Cric Property Management and China Property Management Research Institution successively. The Group was also awarded the titles of “2024 China State-owned Property Service Excellent Enterprise” (2024中國國有物業服務優秀企業), “2024 China’s Top 100 Property Management Companies Leading in Satisfaction” (2024中國物業服務百強滿意度領先企業), “China Property Management Services Enterprise Featured Brand in 2024 – Value-Added Services” (2024中國特色物業服務領先企業 – 增值服務), “China’s Socially Responsible Property Management Services Enterprise of the Year in 2024” (2024中國物業服務年度社會責任感企業), “2024 China’s Top 10 Listed Property Management Companies for High-quality Development” (2024中國物業管理上市公司領先企業高質量發展TOP10), “2024 China’s Top 20 Listed Property Management Companies” (2024中國物業管理上市公司20強), “2024 China’s Leading Property Management Company for ESG sustainable development” (2024中國物業ESG可持續發展領先企業), “2024 Top 20 Enterprises with the Best Office Property Services in China” (2024中國辦公物業服務力TOP20企業), “2024 China’s Top 20 Leading Property Services Enterprise in School Property Services” (2024中國學校物業服務力TOP20企業), “2024 China’s Leading Property Management Companies in terms of Service Quality” (2024中國物業服務質量領先企業), “2024 China’s Outstanding Education Properties Management Enterprise” (2024中國教育物業管理優秀企業) and “2024 China’s Top 50 State-owned Enterprises” (2024中國國有企業50強).

I. Corporation Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

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

BOARD 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 (*resigned on 22 May 2024*)
Mr. Kong Weiping
Mr. Li Zuoyang (*appointed on 22 May 2024*)

SUPERVISORY COMMITTEE

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

JOINT COMPANY SECRETARIES

Mr. Chen Shuang
Ms. Mok Ming Wai

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, Fahua South Lane, Dongcheng District, Beijing, the PRC *(before 27 June 2024.)*

Room 503, Building 8, No. 5 Dongzongbu Hutong, Dongcheng District, Beijing, the PRC *(officially effective on 27 June 2024.)*

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

H SHARE REGISTRAR

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

INVESTOR RELATIONS

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

COMPANY'S WEBSITE

www.bcjps.com

STOCK CODE OF THE STOCK EXCHANGE

02210



II. Financial Summary

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER INCOME

	Six months ended 30 June	
	2024	2023
Revenue (RMB million)	889.6	888.1
Gross profit (RMB million)	181.6	194.0
Gross profit margin	20.4%	21.8%
Profit for the period (RMB million)	47.0	61.6
Net profit margin	5.3%	6.9%
Profit for the period attributable to equity shareholders of the Company (RMB million)	45.3	58.7
Basic earnings per share (RMB)	0.31	0.40

For the six months ended 30 June 2024 (the “**Reporting Period**”), the total revenue of the Group was approximately RMB889.6 million, representing a slight increase from approximately RMB888.1 million in the same period of 2023.

For the six months ended 30 June 2024, the gross profit of the Group was approximately RMB181.6 million, representing a decrease of approximately 6.4% from approximately RMB194.0 million in the same period of 2023.

For the six months ended 30 June 2024, the profit for the period of the Group was approximately RMB47.0 million, representing a decrease of approximately 23.7% from approximately RMB61.6 million in the same period of 2023.

For the six months ended 30 June 2024, the Group recorded annualized newly signed contract amount of approximately RMB327.8 million, representing an increase of approximately 47.4% as compared with approximately RMB222.4 million in the same period of 2023.

As of 30 June 2024, the Group had approximately 43.5 million sq.m. of area under its management, representing an increase of approximately 11.3% from approximately 39.1 million sq.m. as of 30 June 2023.



III. Management Discussion and Analysis

INDUSTRY ANALYSIS

With China's economy shifting from a stage of rapid growth to that of high-quality development, there saw new opportunities for developments in all industries. Under the new model of real estate development, "what we are fighting for in future is high quality and good service. Whoever can seize an opportunity to transform and develop, build quality houses and provide good services for the public, will gain market share, achieve business growth and embrace a bright future". The people's demand for high-quality house and living environment has become the potential and strategic support for the next stage of urban development.

The property industry faced various challenges, such as capital market, operation scale, operation quality, growth curve and social responsibilities, etc. The overall growth rate of the industry deaccelerated with more intense competition. In order to better meet people's aspirations for a better life, and having considered the gradient and diversified needs for urban functions and quality enhancement, the Ministry of Housing and Urban-Rural Development of the People's Republic of China has put forward the "Four-good Constructions (四好建設)", that is, to provide "good services" for good houses, good neighborhoods, good communities and good urban districts.

The concern about property services have changed from "availability" to "service quality", kicking off horizontal extension, vertical expansion and whole-range services. Specifically, the service scenarios have been extended horizontally from traditional residential buildings to campus logistics, commercial and office buildings, industrial parks, public buildings, tourist attractions, hospitals, and military units, etc.; the service providers focused more on vertically exploring the contents and space of value-added services, and expanding services such as move-in and furnishing services, housekeeping services, retailing services, real estate brokerage services, and elderly care services, etc.; and the service functions have begun to cover the whole region, continuously sinking from high-rank cities to third – and fourth-tier cities, and helping rural revitalization and the social governance of grassroots.



III. Management Discussion and Analysis

BUSINESS REVIEW

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

Property management services – accounting for approximately 69.2% of total revenue

During the Reporting Period, the Group's revenue from property management services amounted to approximately RMB615.4 million, representing an increase of approximately 20.0% as compared with the corresponding period in 2023, mainly due to the increase in the area under management and the number of projects under management of the Group.

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

Project source	As of 30 June					
	2024			2023		
	Area under management sq.m.'000	%	Number of projects under management	Area under management sq.m.'000	%	Number of projects under management
BUCG Group and its joint ventures or associates	22,677	52.2	144	21,113	54.1	139
Third parties	20,778	47.8	123	17,939	45.9	105
Total	43,455	100.0	267	39,052	100.0	244

As of 30 June 2024, the area of the Group's projects under management amounted to approximately 43.5 million sq.m., of which approximately 22.7 million sq.m. was attributable to the projects under management by BUCG and its joint ventures or associates, and approximately 20.8 million sq.m. was attributable to the projects under management by third parties, representing an increase of 7.4% and 15.8%, respectively, as compared with the corresponding period in the previous year, which was mainly attributable to the fact that the Group fully utilized its position as a marketing leader, implemented the all-staff marketing concept, fully enhanced the planning, operation and bidding capabilities of its marketing team, and constantly optimized its own business development strategy and regional deployment, thereby continuously improving the density of the Group's advantageous regions and products and achieving quality scaled expansion.

During the Reporting Period, the Group achieved newly contracted area of approximately 2.5 million sq.m., representing an increase of 0.3% as compared with the corresponding period in the previous year, and newly contracted value amounted to approximately RMB327.8 million, representing an increase of 47.4% as compared with the corresponding period in the previous year. There were 19 new fully-entrusted property projects, of which 17 projects were from third parties, accounting for 89.5%.

III. Management Discussion and Analysis

During the Reporting Period, the Group's market expansion was characterized by several new features: firstly, there was an increase in the number of large-scale quality projects among the newly added projects, including five new fully-entrusted projects with an annualized contract value of over RMB10.0 million; secondly, the office building projects continued to maintain their core strength, with the addition of new projects such as the high-end commercial and office building named "Beijing Investment Tower (北投大廈)", the maintenance of landscape and lighting in Beijing sub-center, and the office building of the Development and Reform Commission of Pinggu District, Beijing; and thirdly, the Group's competitiveness in the property service market of universities and colleges improved rapidly. On the basis of serving the Medical Department of Peking University, the Water Conservancy Department of Tsinghua University and Beijing Institute of Clothing, the Group further won new bids for the projects of Beijing Politics and Law Vocational College and Beijing Agricultural College, and has been entrusted with the management of 14 college property management and logistics companies under 13 universities and colleges, which will bring potentials for business growth in the future; fourthly, the Group made new breakthroughs in the hospital-related property projects, and undertook new projects such as Tongzhou hospital area of Anzhen Hospital affiliated to Capital Medical University and the new hospital area of Beijing Stomatological Hospital, which has further enriched the its experience in the provision of property services for large-scale hospitals; fifthly, a new project named "Beijing On-ice Training Base (北京市冰上項目訓練基地)" has been added to the cultural and sports venues category, offering services for the largest monolithic and comprehensive on-ice training center in Asia; sixthly, on the basis of the existing projects of metro services and expressway service areas, a new large-scale property service project of China Eastern Airlines Base (Phase II) at Daxing International Airport was added to the public transportation venues and stations category.

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

Property type	2024					2023				
	Six months ended 30 June 2024		As of 30 June 2024			Six months ended 30 June 2023		As of 30 June 2023		
	Revenue RMB'000	%	Area under management sq.m.'000	%	Number of projects under management	Revenue RMB'000	%	Area under management sq.m.'000	%	Number of projects under management
Residential properties	281,562	45.8	27,675	63.7	156	248,872	48.5	25,488	65.3	149
Non-residential properties	333,871	54.2	15,780	36.3	111	263,882	51.5	13,564	34.7	95
Total	615,433	100.0	43,455	100.0	267	512,754	100.0	39,052	100.0	244

As of 30 June 2024, the area of the Group's residential properties under management amounted to approximately 27.7 million sq.m., representing an increase of 8.6% as compared with the corresponding period in the previous year and accounting for approximately 63.7% of the total area under management. During the Reporting Period, revenue from the management services of residential properties amounted to approximately RMB281.6 million, representing an increase of approximately 13.1% as compared with the corresponding period in 2023, and accounting for approximately 45.8% of the total revenue from property management services.

III. Management Discussion and Analysis

As of 30 June 2024, the area of the Group's non-residential properties under management amounted to approximately 15.8 million sq.m., representing an increase of approximately 16.3% as compared with the corresponding period in the previous year and accounting for approximately 36.3% of the total area under management. During the Reporting Period, revenue from the management services of non-residential properties amounted to approximately RMB333.9 million, representing an increase of approximately 26.5% as compared with the corresponding period in 2023, and accounting for approximately 54.2% of the total revenue from property management services.

The Group has steadily promoted quality development on a large scale and adhered to business diversification, with a continuous increase in the area under management and the proportion of revenue of non-residential segment, and the proportion of revenue from non-residential property services reached 54.2%. The Group has successfully undertaken projects such as Beijing Investment Tower, China Eastern Airlines Base (Phase II) at Daxing International Airport, Yanqing On-ice Training Base, Beijing Agricultural College, and the Luhuitou Scenic Spot in Hainan. In future, the Group will continue to explore and seek new business and development models and continue to enrich its management services, so as to achieve full-scenario coverage of various businesses such as schools, hospitals, industrial parks, commercial complexes and international competition venues.

For service quality and customer satisfaction, the Group has adhered to a customer-centric approach, and strengthened its daily quality supervision through the application of a quality control platform, so as to ensure high standards and consistency in service offerings. In the residential property segment, the Group has implemented tiered management and introduced three levels of distinctive evaluation indicators, namely pleasure (樂享), excellence (優享) and esteem (尊享), to closely associate service touchpoints with frequently-used scenarios of property owners, thereby effectively enhancing customer satisfaction. In the non-residential property segment, the Group also focused on improving service quality and meeting the needs of different customer groups through refined management and innovative service models.

For operation management and performance enhancement, the Group adhered to the principles of corporate governance in project management, implemented stringent project management, and deepened the assessment of business shortcomings through a refined performance-oriented mechanism. Through a well-designed pre-project planning process, the Group implemented a comprehensive risk management strategy to ensure the efficient launch and smooth advance of projects. In addition, the Group implemented a differentiated hierarchical management strategy based on the contract value of projects, which has not only optimized the allocation of resources, but also greatly enhanced operational efficiency and quality.

For digitalization and internal control, the Group insisted on implementing an integrated businesses and finance system to put together business management and financial control, so as to further enhance its internal control capability. The Group has completed the construction of the access control and visitor management functions of the "Jia Xiang Hui (佳享薈)" platform, kicked off a pilot run on a number of projects to effectively enhance management efficiency, and actively promoted the planning and construction of its intelligent equipment and facility system platform.



III. Management Discussion and Analysis

Value-added services to non-property owners – accounting for approximately 11.9% of total revenue

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

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

Service type	Six months ended 30 June			
	2024		2023	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Engineering operations and maintenance services	35,047	33.0	24,479	12.8
Tenant sourcing and management services	26,772	25.2	36,753	19.2
Sales office and display unit management and delivery services	17,894	16.9	18,087	9.4
Construction site property management services	11,134	10.5	21,088	11.0
Special support services	–	–	80,005	41.7
Other services	15,236	14.4	11,504	5.9
Total	106,083	100.0	191,916	100.0

During the Reporting Period, the Group's revenue from value-added services to non-property owners amounted to approximately RMB106.1 million, representing a decrease of approximately 44.7% as compared with the corresponding period in 2023. This was mainly due to the fact that the special support services, which accounted for a significant portion of the revenue for the corresponding period in the previous year, were no longer provided.

In respect of engineering operations and maintenance services, they mainly include the provision of project operation, routine repair and maintenance management, project renovation and other services for buildings, facilities and equipment. The Group reduced energy consumption and carbon emissions through technological modification and management improvement, formulated an annual repair and maintenance management plan for overall project services to maintain the equipment and facilities in buildings so that they can operate under optimal conditions. During the Reporting Period, the Group's revenue from project operation and maintenance services amounted to approximately RMB35.0 million, accounting for 33.0% of the revenue from the value-added services to non-property owners, representing an increase of approximately 43.2% as compared with the corresponding period in 2023. It was mainly attributable to the addition of 22 new projects in the first half of 2024, and the implementation of the IFM (Integrated Facility Management) integrated facility and equipment operation and maintenance service project, such as the Renovation and Upgrading Project of No. 79 courtyard of Beijing Food Supply Bureau No. 34 Supply Department Co., Ltd. (北京市食品供應處34號供應部有限公司) and the Roof Waterproofing Renovation Project of Beiyi Community (北醫社區), etc. The Group continued to raise its operation and maintenance level by integrating its advantageous resources and technical edge.

III. Management Discussion and Analysis

In respect of tenant sourcing and management services, the Group mainly provided tenant sourcing and management services entrusted to us by certain office property developers, including identifying and sourcing target tenants, assisting property developers in the negotiation of tenancy agreements and the subsequent charging process, as well as providing hassle-free move-in and move-out support services to tenants. During the Reporting Period, the area under management of the Group's tenant sourcing and management services reached 400,000 sq.m. and its revenue amounted to approximately RMB26.8 million, representing a decrease of approximately 27.2% as compared with the corresponding period in the previous year. It was mainly due to the fact that the office market has been facing a tough challenge as the rental level and occupancy rate of the office market in Beijing has been on a continuous downward trend since the beginning of the year. Despite the fact that the approach of refined industrial zones adopted for specific business districts in Beijing in the second quarter has led to a rise in leasing sentiment, the leasing market situation in the Zhongguancun business district remained severe with a considerable shrinkage in the number of tenants and the scale of newly-leased offices, resulting in the less-than-expected results of tenant sourcing. Based on the market analysis and expected outlook, the Group planned to leverage on its past service experience to expand on hotel operation, so as to increase the revenue from asset operation.

During the Reporting Period, the Group's revenue from sales office and display unit management and delivery services amounted to approximately RMB17.9 million. With accumulated experience over the past years, the Group has undertaken 9 new projects such as Qingyue Mansion (清樾府), Guoxiang Xingchen (國祥星辰), Wangjing Guoyu Mansion (望京國譽府) and Haiyunwan Sales Office (海雲灣售樓處) as compared with 2023, with a service coverage of 34 projects in 6 cities including those in Beijing, Sichuan, Shandong, Hebei and Hainan, of which about 26.0% were from third parties' projects. Despite the addition of new projects, revenue for the Reporting Period remain largely unchanged as compared with the corresponding period in the previous year. This was mainly due to the fact that sales office management services were more affected by the real estates market, and the service demand from projects under management had shrunk as they were nearing completion. The Group has led the industry in terms of the management scale and service standards of its sales office services, won a considerable number of regional benchmark projects, actively expanded into external markets, and implanted the "Golden Key (金鑰匙)" optimal service concept in its work to bring high-end "satisfaction and surprise (滿意加驚喜)" services to its customers. In addition to sales office services, the Group also got involved in a number of similar business categories, such as conference reception, business etiquette, concierge services, tea breaks and the art of tea, international forums, etc., to give full play to platform advantages, promote vertical development of traditional businesses, and achieve extensive expansion of value-added services.

In respect of construction site property management services, revenue for the Reporting Period amounted to approximately RMB11.1 million, accounting for 10.5% of the revenue from the value-added services to non-property owners, representing a decrease of approximately 47.2% as compared with the corresponding period in the previous year. It was mainly due to the decrease in demand for container houses upon completion of construction projects which resulted in a higher number of lease withdrawals, and a significant decrease in the rentals of container houses in the market. After evaluating the market, the Group has conducted in-depth studies on the characteristics and service model of construction site property management, and innovatively created a new "one-stop" ready-for-living property delivery mode for construction units. The Group has actively explored the industry-wide integrated services, including the site selection, drawing design, site construction, container house construction and basic property services for office and living areas. Through intensified promotional efforts, the Group undertook a total of three new projects in the first half of 2024, including the Renewal, Rehabilitation and Rehousing Project at Mingguang Village, Haidian District, Tongzhou Financial Development and Talent Cultivation Base Project of Tsinghua University, and the Municipal High People's Court Office and Technical Business Building Project in the Administrative Office District of Beijing subcenter.

III. Management Discussion and Analysis

During the Reporting Period, the Group's revenue from other services amounted to approximately RMB15.2 million, representing an increase of approximately 32.4% as compared with the corresponding period in 2023, which was mainly attributable to an increase in revenue from the undertaking of various special entrusted service projects, such as metro cleaning projects, order maintenance, greening works and maintenance services. Leveraging on its service advantages, the Group has been able to focus its resources on vertical development by tapping on high-potential segments while diversifying its businesses.

Community value-added services – accounting for approximately 18.9% of total revenue

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

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

Service type	Six months ended 30 June			
	2024		2023	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Heat energy supply services	75,824	45.1	75,480	41.2
Catering services	42,122	25.1	35,566	19.4
Carpark space operation services	32,017	19.0	50,621	27.6
Other services	18,143	10.8	21,745	11.8
Total	168,106	100.0	183,412	100.0

During the Reporting Period, the Group's revenue from community value-added services amounted to approximately RMB168.1 million, representing a decrease of approximately 8.3% over the corresponding period in 2023, primarily due to the fact that community value-added services were more affected by the consumption behaviors of residents, and the downgrading of consumption led to a decrease in demand from personal consumption. In addition, one-off revenue was generated from parking space operation services in the corresponding period in the previous year while the food and beverage services recorded a significant growth as a result of a number of new projects undertaken for government units and industrial parks.

III. Management Discussion and Analysis

Heat energy supply services: the revenue from heat energy supply services reached approximately RMB75.8 million, representing an increase of approximately 0.5% as compared with the corresponding period in the previous year, accounting for approximately 45.1% of total revenue from community value-added services. As of 30 June 2024, the Group undertook a total of 36 projects for heat energy supply services, with a heating area of near 4.73 million sq.m. While the number of heating plants remained unchanged, the total heating capacity was increased to 286MW by means of equipment maintenance, technology application and other management measures, with the service areas covering the districts of Chaoyang, Haidian, Changping, Fangshan and Daxing in Beijing, and the service objects including residents, businesses, schools, etc. The Group continued to improve the renewal and reconstruction of heating equipment, placing a high priority on energy saving, emission reduction and carbon reduction. Through technological innovation, the Group vigorously took the “troubleshooting (冬病夏治)” initiative in advance to improve the heat energy supply work plan, strengthened the testing and maintenance of equipment, and realized energy saving and high efficiency in heat energy supply services, thereby improving the satisfaction of property owners and increasing the scope of services.

Catering services: the revenue from catering services reached approximately RMB42.1 million, representing an increase of approximately 18.4% as compared with the corresponding period in the previous year, accounting for approximately 25.1% of total revenue from community value-added services. The Group has a professional project catering management team dedicated to providing efficient, professional and quality catering services to customers. The business segment mainly involved four areas, namely branded restaurants, group catering, hot-food chain and construction sites. Leveraging on its professional strengths, the Group has integrated and synergized the “Property + Group Catering” businesses and achieved integrated comprehensive services. During the Reporting Period, the Group received 10 new catering service projects from government units and industrial parks, such as the projects of Kunlun Zhiyue, Hongda Industrial Park and Nanyuan Training Center. Being customer-oriented and striving for excellence, the Group tailored its property service + catering service solution on the premise of food safety. The team has adhered to the service tenet of “the one who cooks always thinks about the one who eats (做飯人永遠想著吃飯人)” to provide customers with quality catering services.

Carpark space operation services: the revenue from carpark space operation services reached approximately RMB32.0 million, representing a decrease of approximately 36.8% as compared with the corresponding period in the previous year, which was mainly due to the one-off revenue generated from individual projects in the previous year, while no similar one-off revenue was generated during the Reporting Period. During the Reporting Period, our project department and professional companies communicated with the local government, reasonably devised the plans for vehicle parking sites, entry and exit, and fee management, optimized the vehicle entry and exit gate system, sorted out and dealt with external vehicles, maintained parking order in the park, especially solving the parking problem of old communities, explored new ideas on three-dimensional parking and increased parking revenue.

Other services: they mainly include move-in and furnishing services, elderly care services, community retailing, in-house cleaning and maintenance, real estate brokerage services, telecommunication services, etc. During the Reporting Period, the Group’s revenue from other community value-added services amounted with approximately RMB18.1 million, representing a decrease of approximately 16.6% as compared with the corresponding period in 2023. It was mainly due to the decrease in overall consumption demand. The Group focused its efforts on move-in and furnishing services and community retail services, and also cultivated elderly care services. In respect of move-in and furnishing services, while providing ready-for-living services for newly-delivered projects, the Group focused on the development of unmet move-in and furnishing services, and cultivated and explored community rejuvenation, partial improvements and elderly-friendly renovation services. The community retailing business was aimed at satisfying customers’ needs based on the logic of convenience and what customers see is what they get, so as to realize business development. Through the provision of distinctive and diversified services, the establishment of a professional and independent operation team, and the leveraging of market advantages, the Group constantly enhanced its overall competitiveness.

III. Management Discussion and Analysis

Future Prospect

“Keep your faith and put it into practice”. The Group will adhere to the overall working principles of “expanding scale, increasing efficiency, strengthening management, fostering brand, preventing risk, and emphasizing party building”, strengthen risk management, deepen service innovation, promote digital transformation, and continuously push forward quality development.

The Group will strengthen the tenacity to keep working hard, improve the motivation to work well, increase the courage to break through, and gather the strength to push forward in a concerted manner. Adhering to the overall situation of national development and the strategic height of the development of the capital in the new era, the Group will strengthen the confidence and faith to develop businesses. The Group will adhere to the new requirement of “accelerating the cultivation and development of the service industry” of BUCG, and further clarify the positioning, strategic objectives and strategic paths of its main businesses. The Group will make full use of the advantages of the state-owned entity listing platform in the capital city to enhance the management and control level of the platform company, the management effectiveness of entity companies and the operational efficiency of projects, and will steadily promote joint-venture cooperation and mergers and acquisitions on a risk-controlled basis. The Group will fully capitalize on the new logistics service platform for universities and colleges in Beijing and form a linkage with marketing to support scaled development. We will further enhance the quality of basic services, and promote key annual tasks, including multiple operations and value-added services, digitalization, and the settlement of accounts receivable. The Group will further strengthen team building and capacity building, by “benchmarking” with the best, “competing” with the strongest and “racing” with the fastest, so as to enhance its core competitiveness and competitive strength in practice.

“Offering new and better services”. In future, the Group will stand on a higher starting point to promote the achievement of better development and governance, create more value for shareholders, and provide its employees with a greater sense of gain, with greater wisdom and courage, as well as more methods and initiatives. The Group will also make every effort to promote the various undertakings of Capital Jiaye to a new stage, and greet the 75th anniversary of the founding of New China with excellent results!

III. Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

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

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

	Six months ended 30 June				
	2024		2023		Growth rate
	RMB'000	Percentage of revenue %	RMB'000	Percentage of revenue %	
Property management services	615,433	69.2	512,754	57.7	20.0
Value-added services to non-property owners	106,083	11.9	191,916	21.6	-44.7
Community value-added services	168,106	18.9	183,412	20.7	-8.3
Total	889,622	100.0	888,082	100.0	0.2

During the Reporting Period, the total revenue of the Group was approximately RMB889.6 million, representing a slight increase from approximately RMB888.1 million for the corresponding period in 2023. Please refer to the section headed "Business Review" in this report for the changes in each business segment of the Group as compared with the corresponding period in 2023.

Cost of sales

During the Reporting Period, the cost of sales of the Group was approximately RMB708.0 million, which remained largely unchanged as compared with approximately RMB694.1 million for the corresponding period in 2023.



III. Management Discussion and Analysis

Gross profit and gross profit margin

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

	Six months ended 30 June					
	2024				2023	
	Gross profit (RMB'000)	Gross profit ratio %	Gross profit margin %	Gross profit (RMB'000)	Gross profit ratio %	Gross profit margin %
Property management services	113,932	62.8	18.5	105,105	54.2	20.5
Value-added services to non-property owners	39,272	21.6	37.0	62,773	32.4	32.7
Community value-added services	28,385	15.6	16.9	26,147	13.4	14.3
Total	181,589	100.0	20.4	194,025	100.0	21.8

During the Reporting Period, the Group's gross profit margin was approximately 20.4%, representing a decrease from approximately 21.8% for the corresponding period in 2023, which was mainly due to (i) the price of property management services fees remained unchanged, while labour and subcontracting costs of property management increased during the Reporting Period; and (ii) a decrease in the gross profit margins of projects as compared with the corresponding period in the previous year under the market competition.

Administrative expenses

During the Reporting Period, the total administrative expenses of the Group were approximately RMB84.7 million, representing a decrease of approximately 15.1% from approximately RMB99.8 million for the corresponding period in 2023, which was primarily attributable to a decrease in staff remuneration as compared with the corresponding period in 2023 resulting from the adjustment of the staffing structure.

Other income

During the Reporting Period, other income decreased by approximately 89.2% to approximately RMB0.4 million from approximately RMB3.7 million for the corresponding period in 2023. This was mainly due to (i) changes in fair value of investment properties; and (ii) the preferential policy of adding tax credits for VAT inputs enjoyed by several of the Group's companies for the corresponding period in 2023.

Profit for the period

During the Reporting Period, the Group's profit for the period was approximately RMB47.0 million, representing a decrease of approximately 23.7% from approximately RMB61.6 million in the corresponding period in 2023, which was primarily due to the less than expected collection of accounts receivable, resulting in an increase in expected credit loss during the Reporting Period. The profit for the period attributable to the shareholders of the Group was approximately RMB45.3 million, representing a decrease of approximately 22.8% from approximately RMB58.7 million in the corresponding period in 2023. The net profit margin was approximately 5.3%.

III. Management Discussion and Analysis

Current assets and capital structure

The Group maintained an excellent financial position and adequate liquidity during the Reporting Period. As at 30 June 2024, the current assets were approximately RMB1,826.4 million, representing a decrease from approximately RMB1,911.9 million as at 31 December 2023.

As of 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB979.1 million, representing a decrease of approximately 11.4% from approximately RMB1,105.2 million as at 31 December 2023, primarily due to (i) the payment of dividends for the previous year and payments to suppliers; and (ii) the industry practice of customers to pay property fees in the second half of the year.

As of 30 June 2024, the total equity of the Group amounted to approximately RMB864.1 million, representing an increase of approximately 1.0% from approximately RMB855.2 million as at 31 December 2023, primarily due to the profit contribution achieved during the period.

As of 30 June 2024, the Group's debt-to-asset ratio was approximately 61.9%, representing a decrease of approximately 2.0 percentage points from approximately 63.9% as at 31 December 2023. The debt-to-asset ratio refers to the ratio of total liabilities to total assets.

Property, plant, equipment and right-of-use assets

The Group's property, plant and equipment and right-of-use assets primarily consist of buildings, properties leased for own use, office, right-of-use in parking lots and other equipment. As at 30 June 2024, the Group's property, plant and equipment and right-of-use assets amounted to approximately RMB184.6 million, representing a decrease of approximately RMB24.3 million from approximately RMB208.9 million as at 31 December 2023, primarily due to the increase in depreciation resulted from the utilization of property, plant and equipment and right-of-use assets.

Investment properties

The Group's investment properties primarily include our investment in real estate properties. As at 30 June 2024, the Group's leased assets and investment properties amounted to approximately RMB118.7 million, which was basically the same as approximately RMB108.0 million as at 31 December 2023.

Prepayments, trade and other receivables

As of 30 June 2024, prepayments, trade and other receivables amounted to approximately RMB837.0 million, representing an increase of approximately RMB42.9 million from approximately RMB794.1 million as at 31 December 2023, primarily due to the lower than expected collection during the Reporting Period, resulting in an increase in the trade receivables.

Other receivables of the Group mainly comprised payments on behalf of customers and deposits paid for the provision of property management services. Other receivables of the Group increased from approximately RMB40.3 million as of 31 December 2023 to approximately RMB41.2 million as of 30 June 2024, primarily due to the increase in bidding deposits for market expansion and other receivables such as utilities and gas fees for business expansion.

III. Management Discussion and Analysis

Trade and other payables

As of 30 June 2024, trade and other payables amounted to approximately RMB900.5 million, representing a decrease of approximately RMB71.7 million from approximately RMB972.2 million as at 31 December 2023, which was primarily due to the payments made to suppliers during the Reporting Period.

The Group's other payables primarily consist of housing maintenance fund payables, payments due to related parties and renovation and utility deposits received from property owners and tenants. The Group's other payables amounted to approximately RMB489.4 million and RMB458.9 million as of 31 December 2023 and 30 June 2024, respectively.

Capital expenditure

During the Reporting Period, our capital expenditure was approximately RMB11.3 million (approximately RMB30.5 million for the year ended 31 December 2023). Such decrease was mainly due to the payment for the procurement of container houses in the previous year, resulting in a higher base in the corresponding period of last year. During the Reporting Period, our capital expenditure was mainly used for the purchase of office equipment.

Borrowings

As at 30 June 2024, the Group did not have any borrowings or bank loans.

Pledge of assets

As at 30 June 2024, the Group did not have any pledge on its assets.

Significant investments, material acquisitions and disposals and future plans

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

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

The proceeds from the listing

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

As of 30 June 2024, 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, or may make adjustments to the use of the unutilized Net Proceeds and/or the timetable in the light of the external market environment and the actual circumstances of the Group. In the event that the use and/or timetable of the unutilized Net Proceeds is proposed to be revised, the Company will make a relevant announcement in a timely manner.

III. Management Discussion and Analysis

As at 30 June 2024, details of the use of the Net Proceeds of the Group were as follows:

Purposes	Percentage of total amount	Planned use of net proceeds HK\$ Million	Unused amount as of 1 January 2024 HK\$ Million	Actual use of proceeds during the Reporting Period HK\$ Million	Accumulated actual use of proceeds as of 30 June 2024 HK\$ Million	Unused amount as of 30 June 2024 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	11.55	11.42	61.60	0.13	On or before 31 December 2024
- Expanding tenant sourcing and management services	15%	37.04	-	-	37.04	-	N/A
- Diversifying community value-added services	10%	24.69	11.55	11.42	24.56	0.13	On or before 31 December 2024
Developing and upgrading our information technology infrastructure and intelligent equipment	10%	24.69	13.19	-	11.50	13.19	On or before 31 December 2024
- Upgrading the internal operation system	4%	9.88	-	-	9.88	-	N/A
- 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	5.79	-	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	163.55	11.42	94.78	152.13	



III. Management Discussion and Analysis

Contingent liabilities

As at 30 June 2024, the Group did not have any material contingent liabilities.

Foreign exchange risk

The Group conducts its business in Renminbi. The Group is not expected to be subject to any significant risk relating to fluctuations in exchange rates. The Group has not adopted any foreign currency hedging policies for now. Notwithstanding all these, the Group will continue to keep track of the foreign exchange risk and take prudent measures to mitigate it, and take appropriate action where necessary.

Subsequent events after the Reporting Period

Save as disclosed in this report, no significant events subsequent to 30 June 2024 and up to the date of this report that might have a material impact on the Group's operating and financial performance need to be disclosed.

EMPLOYEES AND REMUNERATION BENEFIT POLICY

As at 30 June 2024, the Group had 1,815 employees (as at 31 December 2023: 1,865 employees). The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions in order to encourage value creation of employees. The Group also provides employees with employee benefits including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund. The Group places a strong emphasis on recruiting high-quality personnel and provides employees with continuous training programs and career development opportunities. Through creating talent teams including senior management, project managers, project junior staff and professionals, the Group provides more comprehensive job training for our employees.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Company has complied with all the applicable code provisions of the Corporate Governance Code during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as a code of conduct for securities transactions by the directors (the “**Directors**”) and supervisors (the “**Supervisors**”) of the Company. The Company has made specific enquiries to all Directors and Supervisors and they all have confirmed that they had complied with the Model Code during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

PUBLIC FLOAT

Based on the published information and to the knowledge of the Directors, during the Reporting Period and as at the date of this report, the Company maintained sufficient public float in compliance with the Listing Rules.

IV. Corporate Governance and Other Information

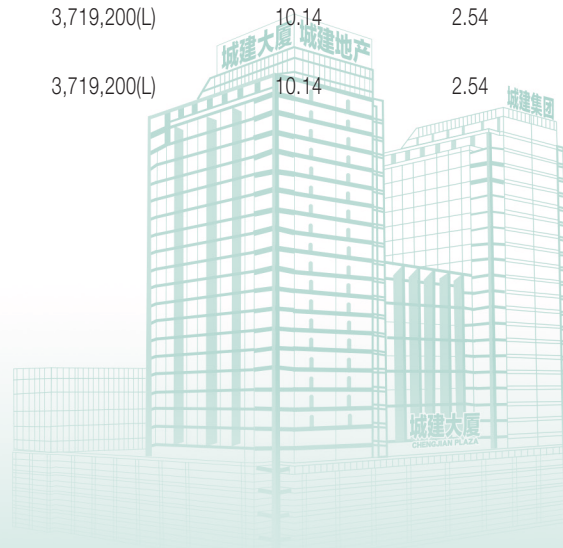
DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, none of the Directors, Supervisors or chief executives had or was deemed to have any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the “SFO”)); or which are recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2024, the persons (other than Directors, Supervisors and chief executives of the Company) or corporations who had an interest or short position in the shares and 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



IV. Corporate Governance and Other Information

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)
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:

- The letter "L" denotes the person's long position in the shares.
- Calculated based on the Company's 110,000,000 domestic shares or 36,667,200 H shares in issue as at 30 June 2024.
- Calculated based on the total number of 146,667,200 shares of the Company in issue as at 30 June 2024.
- As at 30 June 2024, 43.84% of the shares of BUCID are held by BUCG; BUCC is directly and wholly owned by BUCG.
- 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.
- 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.
- 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).
- 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.

IV. Corporate Governance and Other Information

9. Based on the disclosure of interests form submitted by Caitong Securities Co., Ltd. on 12 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through Caitong Fund Management Co., Ltd. Caitong Fund Management Co., Ltd. is 40% owned by Caitong Securities Co., Ltd.
10. Based on the disclosure of interests form submitted by Glodon Company Limited on 21 November 2021 in respect of the relevant event that occurred on 10 November 2021, these shares were held through its direct wholly-owned subsidiary Glodon (Hong Kong) Software Limited. Diao Zhizhong indirectly controls 16% of the equity of Glodon Company Limited.

Save as disclosed above, as at 30 June 2024, the Company had not been notified of any other interests or short positions held by any other person in the shares or underlying shares of the Company which were required to be recorded or otherwise disclosed to the Company under the SFO.

IMPORTANT CORPORATE GOVERNANCE MATTERS DURING AND AFTER THE REPORTING PERIOD

Changes in members of the Board

During the Reporting Period, due to the expiration of the term of the first session of the Board, in accordance with the relevant requirements of the Company Law of the PRC, the articles of association of the Company (the “**Articles of Association**”) and the Listing Rules, the Company has complied with the procedures for the re-election of the Board.

Upon the approval of the shareholders at the annual general meeting of the Company held on 22 May 2024 (the “**AGM**”), Mr. Zhang Weize, Mr. Yang Jun and Mr. Luo Zhou were appointed as executive Directors of the second session of the Board, Ms. Jiang Xin, Mr. Mao Lei and Mr. Li Zuoyang were appointed as non-executive Directors of the second session of the Board, and Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo were appointed as independent non-executive Directors of the second session of the Board. The term of office of the above Directors shall be three years commencing from 22 May 2024 to the date of expiry of the term of office of the second session of the Board.

Upon the establishment of the second session of the Board, Mr. Yao Xin retired as an executive Director and a member of the risk and compliance management committee of the Board due to other work arrangements, with effect from 22 May 2024.

In accordance with the relevant provisions of the Articles of Association, the Board elected Mr. Zhang Weize on 22 May 2024 as the Chairman of the Board of the Company for the same term as that of the second session of the Board.

After the conclusion of the AGM, the Company convened a meeting of the Board. The Board resolved to appoint the chairmen and members of the audit committee, the nomination committee, the remuneration and evaluation committee, the strategy and investment and ESG committee, and the risk and compliance management committee of the second session of the Board for the same term as that of the second session of the Board. For the composition of the committees of the Board of the Company as at the date of this report, please refer to the section headed “Corporation Information”.

For further details of the aforementioned changes in members of the Board during the Reporting Period, please refer to the announcements of the Company dated 19 April 2024 and 22 May 2024, and the circular of the Company dated 30 April 2024.

IV. Corporate Governance and Other Information

Changes in members of the supervisory committee (the “Supervisory Committee”) of the Company

During the Reporting Period, due to the expiration of the term of the first session of the Supervisory Committee, in accordance with the relevant requirements of the Company Law of the PRC, the Articles of Association and the Listing Rules, the Company has complied with the procedures for the re-election of the Supervisory Committee.

Upon the approval of the shareholders at the AGM, Mr. Liu Yueming and Mr. Hu Mingkai were appointed as shareholder representative Supervisors of the second session of the Supervisory Committee. Ms. Yang Jie was elected as an employee representative Supervisor at the employee representative meeting held on 12 April 2024, and her term of office took effect from the date of the AGM. The term of office of the above shareholder representative Supervisors of the second session of the Supervisory Committee and Ms. Yang Jie, an employee representative Supervisor of the second session of the Supervisory Committee, shall be three years commencing from 22 May 2024 to the date of expiry of the term of office of the second session of the Supervisory Committee.

Upon the establishment of the second session of the Supervisory Committee, Mr. Liu Fengyuan retired as a shareholder representative Supervisor and the Chairman of the Supervisory Committee as he has reached retirement age, and Ms. Liu Fang retired as an employee representative Supervisor due to other work arrangements, both with effect from 22 May 2024.

For further details of the aforementioned changes in members of the Supervisory Committee during the Reporting Period, please refer to the announcements of the Company dated 19 April 2024 and 22 May 2024, and the circular of the Company dated 30 April 2024.

Amendment to the Articles of Association

In accordance with the latest amendments to the relevant PRC domestic laws and regulations and the Listing Rules and the actual operational needs of the Company, the Company made certain amendments to certain articles of the Articles of Association (the “**Amendments to the Articles of Association**”). The Amendments to the Articles of Association were considered and approved at the 2023 annual general meeting, the 2024 first H shares class meeting, and the 2024 first domestic shares class meeting of the Company convened on 22 May 2024, with effect from 22 May 2024.

For further details of the Amendments to the Articles of Association, please refer to the announcements of the Company dated 19 April 2024, 22 May 2024 and 27 June 2024, and the circular of the Company dated 30 April 2024.

The latest version of the Articles of Association is available on the Company’s website (www.bcjps.com) and the website of the Stock Exchange (www.hkexnews.hk).



IV. Corporate Governance and Other Information

INTERIM ACCOUNTS REVIEW BY AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) in compliance with Appendix C1 to the Listing Rules, with its working rules in writing. The Audit Committee, authorized by the Board, is responsible for reviewing and supervising the Group’s financial reporting, risk management and internal control systems, and assisting the Board in performing its audit responsibilities of the Group. The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practice adopted by the Group, and also discussed issues related to financial reporting, including the review of the Group’s unaudited interim results for the six months ended 30 June 2024. The Audit Committee is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board does not recommend the declaration of the interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).



V. Review Report

Review report to the Board of Directors of Beijing Capital Jiaye Property Services Co., Limited

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 27 to 50 which comprises the consolidated statement of financial position of Beijing Capital Jiaye Property Services Co., Limited (the “Company”) as of 30 June 2024 and the related consolidated statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

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

22 August 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024 – unaudited
(Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	4	889,622	888,082
Cost of sales		(708,033)	(694,057)
Gross profit		181,589	194,025
Other income	5	401	3,678
Administrative expenses		(84,714)	(99,768)
Selling expenses		(4,511)	(6,003)
Expected credit loss on trade and other receivables	6(d)	(34,549)	(20,350)
Profit from operations		58,216	71,582
Finance income	6(a)	6,895	10,798
Finance costs	6(b)	(3,037)	(1,027)
Share of profits/(losses) of an associate		93	(98)
Profit before taxation	6	62,167	81,255
Income tax	7	(15,194)	(19,630)
Profit for the period		46,973	61,625

The notes on pages 34 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 14.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024 – unaudited
(Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Profit for the period		46,973	61,625
Other comprehensive income for the period			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations		(448)	1,142
Income tax relating to remeasurement of defined benefit obligations		112	(286)
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves		(8,816)	(11,055)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		2,204	2,764
Other comprehensive income for the period		(6,948)	(7,435)
Total comprehensive income for the period		40,025	54,190
Profit attributable to:			
Equity shareholders of the Company		45,293	58,683
Non-controlling interests		1,680	2,942
		46,973	61,625
Total comprehensive income attributable to:			
Equity shareholders of the Company		38,345	51,226
Non-controlling interests		1,680	2,964
		40,025	54,190
Earnings per share (RMB)	8	0.31	0.40

The notes on pages 34 to 50 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2024 – unaudited
(Expressed in RMB)

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Non-current assets			
Investment properties	9	118,698	107,960
Property, plant and equipment and right-of-use assets	10	184,624	208,856
Intangible assets		12,712	13,743
Other financial assets		50,580	59,396
Investment in an associate		3,710	3,617
Deferred tax assets		71,892	61,999
		442,216	455,571
Current assets			
Inventories		605	618
Prepayments, trade and other receivables	11	837,028	794,126
Restricted cash	12	9,594	11,875
Cash and cash equivalents	12	979,125	1,105,235
		1,826,352	1,911,854
Current liabilities			
Trade and other payables	13	900,456	972,233
Contract liabilities		267,590	296,833
Lease liabilities		101,772	95,213
Current taxation		14,901	25,316
		1,284,719	1,389,595
Net current assets		541,633	522,259
Total assets less current liabilities		983,849	977,830
Non-current liabilities			
Lease liabilities		15,614	20,291
Deferred tax liabilities		33,647	33,644
Defined benefit obligations		70,467	68,684
		119,728	122,619
NET ASSETS		864,121	855,211

The notes on pages 34 to 50 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2024 – unaudited
(Expressed in RMB)

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
CAPITAL AND RESERVES			
Share capital	14	146,667	146,667
Reserves		685,138	677,842
Total equity attributable to equity shareholders of the Company		831,805	824,509
Non-controlling interests		32,316	30,702
TOTAL EQUITY		864,121	855,211

Approved and authorised for issue by the board of directors on 22 August 2024.

Name: Zhang Weize

Position: Chairman of the Board

Name: Yang Jun

Position: Director

The notes on pages 34 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 – unaudited
(Expressed in RMB)

Attributable to equity shareholders of the Company									
			Statutory	Defined benefit	Fair value	Retained		Non-	Total
Note	Share	Capital	surplus	obligation	reserve	profits	Total	controlling	equity
	capital	reserve	reserve	remeasurement	reserve	reserve	reserve	interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 14(b)								
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 the six months ended 30 June 2023:									
Profit for the period	-	-	-	-	-	58,683	58,683	2,942	61,625
Other comprehensive income	-	-	-	834	(8,291)	-	(7,457)	22	(7,435)
Total comprehensive income	-	-	-	834	(8,291)	58,683	51,226	2,964	54,190
Dividends approved in respect of the previous years	14(a)	-	-	-	-	(31,900)	(31,900)	-	(31,900)
Balance at 30 June 2023 and 1 July 2023									
	146,667	244,415	2,711	(5,084)	(22,665)	406,679	772,723	31,936	804,659
Changes in equity for the six months ended 31 December 2023:									
Profit for the period	-	-	-	-	-	54,911	54,911	(848)	54,063
Other comprehensive income	-	-	-	(1,528)	(1,597)	-	(3,125)	-	(3,125)
Total comprehensive income	-	-	-	(1,528)	(1,597)	54,911	51,786	(848)	50,938
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 34 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 – unaudited
(Expressed in RMB)

Attributable to equity shareholders of the Company									
Note	Share capital RMB'000 Note 14(b)	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Defined benefit remeasurement reserve RMB'000	Fair value reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024	146,667	244,415	2,711	(6,612)	(24,262)	461,590	824,509	30,702	855,211
Changes in equity for the six months ended 30 June 2024:									
Profit for the period	-	-	-	-	-	45,293	45,293	1,680	46,973
Other comprehensive income	-	-	-	(336)	(6,612)	-	(6,948)	-	(6,948)
Total comprehensive income	-	-	-	(336)	(6,612)	45,293	38,345	1,680	40,025
Dividends approved in respect of the previous years	14(a)	-	-	-	-	(31,049)	(31,049)	-	(31,049)
Distribution to a subsidiary's non-controlling shareholder		-	-	-	-	-	-	(66)	(66)
Balance at 30 June 2024	146,667	244,415	2,711	(6,948)	(30,874)	475,834	831,805	32,316	864,121

The notes on pages 34 to 50 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2024 – unaudited
(Expressed in RMB)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Operating activities			
Cash used in operations		(49,281)	(11,453)
Income taxes paid		(33,064)	(23,490)
Net cash used in operating activities		(82,345)	(34,943)
Investing activities			
Purchases of property, plant and equipment		(11,316)	(30,509)
Proceeds from disposal of property, plant and equipment		3	–
Investments in an associate		–	(3,600)
Net cash used in investing activities		(11,313)	(34,109)
Financing activities			
Dividends paid to equity shareholders of the Company	14(a)	(31,049)	(31,900)
Capital element of lease rentals paid		(1,077)	–
Interest element of lease rentals paid		(114)	–
Distribution to a subsidiary's non-controlling shareholder		(66)	–
Net cash used in financing activities		(32,306)	(31,900)
Net decrease in cash and cash equivalents		(125,964)	(100,952)
Cash and cash equivalents at 1 January	12	1,105,235	1,140,733
Effect of foreign exchange rate changes	5	(146)	(242)
Cash and cash equivalents at 30 June	12	979,125	1,039,539

The notes on pages 34 to 50 form part of this interim financial report.

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 CORPORATION INFORMATION

Beijing Capital Jiaye Property Services Co., Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 22 December 2020 as a joint stock company with limited liability. The address of the Company’s registered office is Room 503, Building 8, No. 5, Dongzongbu Hutong, Dongcheng District, Beijing, the PRC. The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 November 2021.

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

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 22 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 26.



VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments")
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* ("2022 amendments")
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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

4 REVENUE AND SEGMENT REPORTING

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

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

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

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

(b) Segment reporting

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

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

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

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

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by timing of revenue recognition		
– Revenue recognised over time	876,404	860,584
– Revenue recognised at point in time	–	477
Revenue from other sources		
– Rental income	13,218	27,021
	889,622	888,082
Disaggregated by service lines		
– Property management services	615,433	512,754
– Value-added services to non-property owners	106,083	191,916
– Community value-added services	168,106	183,412
	889,622	888,082

For the six months ended 30 June 2024, revenue from Beijing Urban Construction Group Co., Ltd. ("BUCG") and its subsidiaries (together, the "BUCG Group") contributed 16.0% of the Group's revenue (six months ended 30 June 2023: 17.7%). Other than the BUCG Group, the Group's customer base is diversified and none of them contributed 10% or more of the Group's revenue during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5 OTHER INCOME

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Fair value (loss)/gain of investment properties (Note 9)		(30)	70
Net loss on disposal of property, plant and equipment		(76)	(23)
Additional deduction of input value-added tax ("VAT")		–	2,791
Net foreign exchange losses		(146)	(242)
Others		653	1,082
		<u>401</u>	<u>3,678</u>

6 PROFIT BEFORE TAXATION

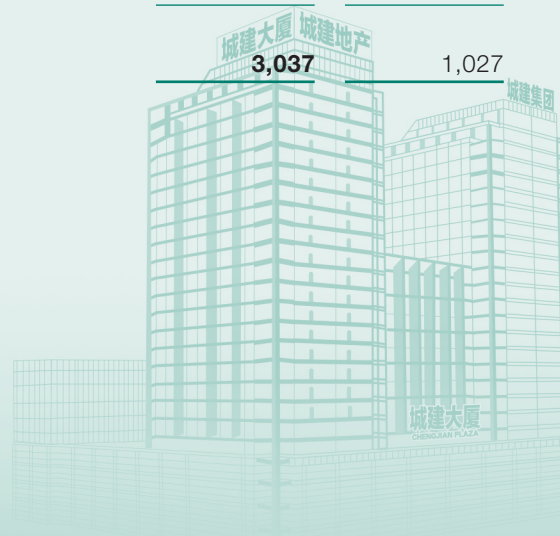
Profit before taxation is arrived at after charging/(crediting):

(a) Finance income

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income on bank deposits	<u>6,895</u>	<u>10,798</u>

(b) Finance costs

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest on defined benefit obligations	900	1,005
Interest on lease liabilities	<u>2,137</u>	<u>22</u>
	<u>3,037</u>	<u>1,027</u>



VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

6 PROFIT BEFORE TAXATION (Continued)

(c) Staff costs

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits		135,344	184,470
Expenses recognised in respect of defined benefit retirement plans		878	708
Contributions to defined contribution retirement plan	(i)	22,305	22,249
		<u>158,527</u>	<u>207,427</u>

Note:

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

(d) Other items

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Amortisation cost of intangible assets	1,031	1,042
Depreciation charge		
– Property, plant and equipment	8,237	7,523
– Right-of-use assets	6,995	628
Bank charges	818	919
Cost of inventories	–	448
Expected credit loss on trade and other receivables		
– Trade receivables	34,550	20,350
– Other receivables	(1)	–
Auditors' remuneration		
– Audit services	750	800
Rentals income from investment properties less direct outgoings of RMB62,000 (six months ended 30 June 2023: RMB38,000)	2,882	3,566

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

7 INCOME TAX

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Current tax – PRC Corporate Income Tax		
Provision for the period	22,768	24,789
Deferred tax		
Origination and reversal of temporary differences	(7,574)	(5,159)
	15,194	19,630

Notes:

- (i) The provision for PRC Corporate Income Tax for the six months ended 30 June 2024 and 2023 is calculated at 25% of the estimated assessable profits for the period.
- (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 six months ended 30 June 2024 (six months ended 30 June 2023: 5%).

8 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB45,293,000 (six months ended 30 June 2023: RMB58,683,000) and the weighted average of 146,667,200 ordinary shares (six months ended 30 June 2023: 146,667,200 shares) in issue during the interim period.

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the six months ended 30 June 2024 and 2023.

9 INVESTMENT PROPERTIES

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

The valuations of investment properties carried at fair value were updated at 30 June 2024 by the Group's independent valuer using the same valuation techniques as were used when carrying out the December 2023 valuations.

As a result of the update, a net loss of RMB30,000 (six months ended 30 June 2023: net gain of RMB70,000), and deferred tax thereon of RMB7,500 (six months ended 30 June 2023: RMB17,500), has been recognised in profit or loss for the period in respect of investment properties.

As at 30 June 2024, the Group transferred certain commercial properties with a carrying amount of RMB10,768,000 from right-of-use assets to investment properties as the Group decided to lease these properties to third parties.

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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

During the six months ended 30 June 2024, the Group entered into lease agreements for use of office and parking lots, and therefore recognised the additions to right-of-use assets of RMB1,078,000.

11 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables		
– related parties (Note 16(b))	281,367	262,945
– third parties	646,924	592,872
	928,291	855,817
Less: allowance for trade receivables	(171,203)	(136,653)
	757,088	719,164
Other receivables due from related parties (Note 16(b))	20,243	24,033
Deposits	10,853	10,251
Other receivables	11,124	7,054
Less: allowance for other receivables	(1,029)	(1,030)
	41,191	40,308
Financial assets measured at amortised cost	798,279	759,472
Prepayments		
– third parties	27,186	25,881
Input VAT to be deducted	11,563	8,773
	837,028	794,126

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

11 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (Continued)

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

As at 30 June 2024, other receivables due from related parties are unsecured and interest-free. Details of the amounts due from related parties are set out in Note 16(b).

(a) Ageing analysis

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	467,136	457,050
1 to 2 years	157,380	139,855
2 to 3 years	69,945	86,941
3 to 4 years	46,798	25,972
4 to 5 years	9,773	4,426
Over 5 years	6,056	4,920
	757,088	719,164

12 CASH AND CASH EQUIVALENTS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash on hand	11	67
Cash at bank	988,708	1,117,043
Less: restricted cash (Note)	9,594	11,875
	979,125	1,105,235

Note:

As at 30 June 2024 and 31 December 2023, restricted cash mainly represents cash deposited in banks as joint accounts with property owners, mainly including the property management fees the Group collected from the projects under commission basis.

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

13 TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade payables		
– related parties (Note 16(b))	33,723	42,087
– third parties	407,794	440,778
	<u>441,517</u>	<u>482,865</u>
Amounts due to related parties (Note 16(b))	12,546	24,044
Accrued payroll and other benefits	16,310	20,296
Other taxes and charges payable	42,300	51,327
Deposits (Note (i))	58,310	67,865
Receipts on behalf of property owners and tenants (Note (ii))	95,961	81,742
Housing maintenance funds payable (Note (iii))	175,844	184,633
Other payables and accruals	57,668	59,461
	<u>458,939</u>	<u>489,368</u>
	<u>900,456</u>	<u>972,233</u>

Notes:

- (i) Deposits mainly represent the deposits paid by the property owners and tenants for property management and refurbishment.
- (ii) Receipts on behalf of property owners and tenants mainly represent utility charges received from residents on behalf of utility companies and operation income on public facilities received on behalf of property owners.
- (iii) Housing maintenance funds payable mainly represents the housing maintenance funds Beijing Uni.-Construction Beiyu Property Service Co., Ltd. ("Beiyu Property") received from Beijing Uni.-Construction Group Co., Ltd. ("BUCC"). Pursuant to related regulations and instructions from BUCC, Beiyu Property received the housing maintenance funds from BUCC in connection with the transfer of property management service on certain residential properties, which are properties built prior to the adoption of public housing maintenance fund policy issued by related government authorities in the 1990's. The funds are to be used along with the repair and overhaul of related properties in accordance with related regulations and instructions from BUCC.
- (iv) All the trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

13 TRADE AND OTHER PAYABLES (Continued)

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	396,009	458,998
1 to 2 years	41,987	13,802
2 to 3 years	2,527	9,347
Over 3 years	994	718
	441,517	482,865

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB21.17 cents per ordinary share (six months ended 30 June 2023: RMB21.75 cents)	31,049	31,900

- (ii) The directors of the Company do not recommend the payment of an interim dividend attributable to the six months ended 30 June 2024.

(b) Share capital

	At 30 June 2024		At 31 December 2023	
	No. of shares	RMB'000	No. of shares	RMB'000
Ordinary shares, issued and fully paid	146,667,000	146,667	146,667,000	146,667

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

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

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

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

Level 3 valuations: Fair value measured using significant unobservable inputs

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

Fair value hierarchy	Fair value at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000

Recurring fair value measurements

Other financial assets

– Equity investments designated at FVOCI	Level 3	50,580	59,396
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During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2023: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

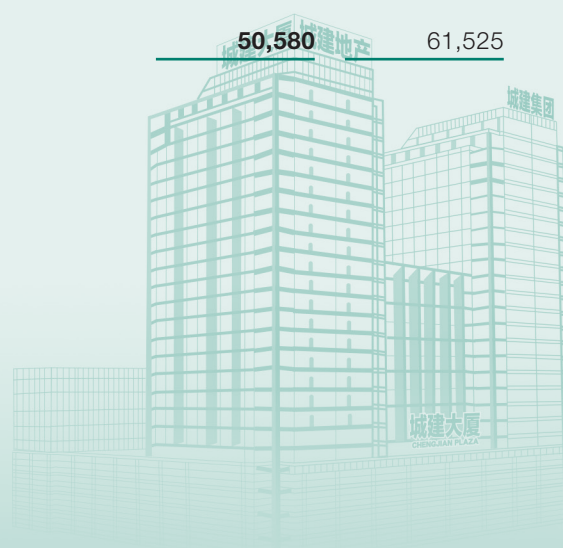
(a) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements

	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investments, mainly representing equity interests in Beijing Jindi Real Estate Development Co., Ltd., a property development company holding land and properties for development for sale or for rent. Major land and properties of Jindi Real Estate have been revalued at each reporting period end.	Income approach and market approach	Capitalisation rate: 5.24% (2023: 5.52%-7.02%)	The higher the capitalisation rate, the lower the market value
	The key inputs are: – Capitalisation rate; – Unit rent; – Market price	Unit rent per sq.m. per month: RMB75 (2023: RMB75-RMB116)	The higher the unit rent, the higher the market value
		Market price per sq.m.: RMB13,490-RMB70,000 (2023: RMB13,490-RMB77,138)	The higher the market price, the higher the market value

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

	At 30 June 2024 RMB'000	At 30 June 2023 RMB'000
Fair value		
At 1 January	59,396	72,580
Change in fair value	(8,816)	(11,055)
At 30 June	50,580	61,525



VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

Information about Level 3 fair value measurements (Continued)

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

	Increase/(decrease) of other financial assets – equity investments designated at FVOCI	
	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Capitalisation rate		
– increase by 0.25%	(181)	(1,571)
– decrease by 0.25%	185	1,638
Unit rent per sq.m. per month		
– increase by 1%	37	562
– decrease by 1%	(37)	(611)
Market price per sq.m.		
– increase by 1%	1,450	890
– decrease by 1%	(1,450)	(890)

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023.

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

16 MATERIAL RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

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

Nature of related party	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<i>Provision of services</i>		
– The BUCG Group	137,411	144,677
– Associates of the BUCG Group	6,243	648
<i>Receiving services</i>		
– The BUCG Group	4,517	13,712
– Associates of the BUCG Group	–	100
<i>Rental income</i>		
– The BUCG Group	4,699	12,102
<i>Rental expenses</i>		
– The BUCG Group	10,623	7,885



VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

16 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade nature		
<i>Prepayments and trade receivables</i>		
– The BUCG Group	276,049	262,700
– Associates of the BUCG Group	5,318	245
<i>Trade payables</i>		
– The BUCG Group	32,933	42,087
– Associates of the BUCG Group	790	–
<i>Contract liabilities</i>		
– The BUCG Group	55	55
<i>Lease liabilities</i>		
– The BUCG Group	15,498	14,852
Non-trade nature		
<i>Other receivables</i>		
– The BUCG Group	20,243	24,033
<i>Other payables</i>		
– The BUCG Group	12,546	24,044

As at 30 June 2024, other receivables due from related parties are unsecured and interest-free.

VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

16 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Name and relationship with the related parties

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

Name of related party	Relationship with the Group
BUCG 北京城建集團有限責任公司	The controlling shareholder of the Company
BUCG 北京住總集團有限責任公司	Shareholder of the Company, which is controlled by BUCG
Beijing Urban Construction Investment & Development Co., Ltd. * 北京城建投資發展股份有限公司	Shareholder of the Company, which is controlled by BUCG
Beijing 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
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



VI. Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

16 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Beijing Urban Construction No.2 Construction Engineering Co. Ltd. * 北京城建二建设工程有限公司	Company controlled by BUCG
Beijing Chengao Real Estate Co., Ltd. * 北京城奥置业有限公司	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.

17 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

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

