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**Beijing Capital Jiaye Property Services Co., Limited**  
**北京京城佳業物業股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2210)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**FINANCIAL SUMMARY**

	<b>For the year ended 31</b>	
	<b>December</b>	
	<b>2023</b>	<b>2022</b>
Revenue <i>(RMB million)</i>	<b>1,829.4</b>	1,567.2
Gross profit <i>(RMB million)</i>	<b>376.4</b>	347.3
Gross profit margin	<b>20.6%</b>	22.2%
Profit for the year <i>(RMB million)</i>	<b>115.7</b>	115.2
Net profit margin	<b>6.3%</b>	7.4%
Profit for the year attributable to equity shareholders of the Company <i>(RMB million)</i>	<b>113.6</b>	114.2
Basic earnings per share <i>(RMB yuan)</i>	<b>0.77</b>	0.78
Cash and cash equivalents <i>(RMB million)</i>	<b>1,105.2</b>	1,140.7
Proposed final dividend per share <i>(RMB yuan)</i>	<b>0.2117</b>	0.2175

For the year ended 31 December 2023, the total revenue of the Group was approximately RMB1,829.4 million, representing an increase of approximately 16.7% from the same period in 2022.

For the year ended 31 December 2023, the gross profit of the Group was approximately RMB376.4 million, representing an increase of approximately 8.4% from the same period in 2022; the Group's gross profit margin was approximately 20.6%, representing a decrease of 1.6 percentage points from the same period in 2022.

For the year ended 31 December 2023, the profit for the year of the Group was approximately RMB115.7 million, remaining basically the same as compared with the same period in 2022.

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

As at 31 December 2023, the Group had approximately 41.4 million sq.m. of area under its management, representing an increase of approximately 12.1% compared with that as at 31 December 2022.

The Board recommended the payment of a final dividend of RMB0.2117 per share (tax inclusive) for the year ended 31 December 2023.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Capital Jiaye Property Services Co., Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (the “**Group**” or “**we**”) for the year ended 31 December 2023 (the “**Reporting Period**”), together with comparative figures for the year ended 31 December 2022.

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

For the year ended 31 December 2023

(Expressed in Renminbi (“RMB”))

	Note	2023 RMB'000	2022 RMB'000
<b>Revenue</b>	3	<b>1,829,381</b>	1,567,164
Cost of sales		<u>(1,453,000)</u>	<u>(1,219,859)</u>
<b>Gross profit</b>		<b>376,381</b>	347,305
Other income	4	<b>18,995</b>	12,844
Administrative expenses		<b>(197,428)</b>	(197,974)
Selling expenses		<b>(11,079)</b>	(9,737)
Expected credit loss on trade and other receivables	5(d)	<u><b>(52,623)</b></u>	<u>(22,405)</u>
<b>Profit from operations</b>		<b>134,246</b>	130,033
Finance income	5(a)	<b>20,524</b>	22,245
Finance costs	5(b)	<b>(2,731)</b>	(2,194)
Share of profit of an associate		<u><b>17</b></u>	<u>–</u>
<b>Profit before taxation</b>	5	<b>152,056</b>	150,084
Income tax	6	<u><b>(36,368)</b></u>	<u>(34,917)</u>
<b>Profit for the year</b>		<u><b>115,688</b></u>	<u>115,167</u>

	<i>Note</i>	<b>2023</b> <b><i>RMB'000</i></b>	2022 <i>RMB'000</i>
<b>Profit for the year</b>		<b>115,688</b>	115,167
<b>Other comprehensive income for the year</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations		<b>(896)</b>	(1,409)
Income tax relating to remeasurement of defined benefit obligations		<b>224</b>	352
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserves		<b>(13,184)</b>	(23,147)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		<b>3,296</b>	5,786
<b>Other comprehensive income for the year</b>		<b>(10,560)</b>	(18,418)
<b>Total comprehensive income for the year</b>		<b>105,128</b>	96,749
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<b>113,594</b>	114,200
Non-controlling interests		<b>2,094</b>	967
		<b>115,688</b>	115,167
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>103,012</b>	95,782
Non-controlling interests		<b>2,116</b>	967
		<b>105,128</b>	96,749
<b>Earnings per share (RMB Yuan)</b>	<b>7</b>	<b>0.77</b>	0.78

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

(Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
<b>Non-current assets</b>			
Investment properties		107,960	107,710
Property, plant and equipment and right-of-use assets		208,856	60,739
Intangible assets		13,743	14,002
Other financial assets		59,396	72,580
Investment in an associate		3,617	–
Deferred tax assets		61,999	44,027
		<u>455,571</u>	<u>299,058</u>
<b>Current assets</b>			
Inventories		618	5,844
Prepayments, trade and other receivables	9	794,126	726,229
Restricted cash		11,875	7,592
Cash and cash equivalents		1,105,235	1,140,733
		<u>1,911,854</u>	<u>1,880,398</u>
<b>Current liabilities</b>			
Trade and other payables	10	972,233	973,682
Contract liabilities		296,833	305,567
Lease liabilities		95,213	646
Current taxation		25,316	12,716
		<u>1,389,595</u>	<u>1,292,611</u>
<b>Net current assets</b>		<u>522,259</u>	<u>587,787</u>

	<i>Note</i>	<b>2023</b> <b><i>RMB'000</i></b>	2022 <i>RMB'000</i>
<b>Total assets less current liabilities</b>		<b>977,830</b>	886,845
<b>Non-current liabilities</b>			
Lease liabilities		<b>20,291</b>	490
Deferred tax liabilities		<b>33,644</b>	34,323
Defined benefit obligations		<b>68,684</b>	69,663
		<b>122,619</b>	104,476
<b>NET ASSETS</b>		<b>855,211</b>	782,369
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>11</i>	<b>146,667</b>	146,667
Reserves		<b>677,842</b>	606,730
Total equity attributable to equity shareholders of the Company		<b>824,509</b>	753,397
Non-controlling interests		<b>30,702</b>	28,972
<b>TOTAL EQUITY</b>		<b>855,211</b>	782,369

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## 1 CORPORATION INFORMATION

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

The Group is primarily engaged in the provision of property management and related services in the PRC.

## 2 MATERIAL ACCOUNTING POLICIES

- (a) These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

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

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

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries and the Group's interest in an associate.

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

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

- *Investment property*
- *Investments in equity securities*

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

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

**(c) Changes in accounting policies**

The Group has applied the following new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

IFRS 17, *Insurance contracts*

Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

Amendments to IAS 1, *Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*

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

Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

Except for Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*, none of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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

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

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

### **3 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 3(b).

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

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

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

#### **(b) Segment reporting**

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

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 disaggregation of revenue by major service lines is as follows:

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

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

#### 4 OTHER INCOME

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

*Note:*

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

#### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

(a) Finance income

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest income on bank deposits	<u>20,524</u>	<u>22,245</u>

(b) Finance costs

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on defined benefit obligations	2,026	2,100
Interest on lease liabilities	<u>705</u>	<u>94</u>
	<u>2,731</u>	<u>2,194</u>

(c) **Staff costs**

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

*Note:*

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

(d) **Other items**

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

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

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

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

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

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

*Notes:*

- (i) The provision for PRC Corporate Income Tax for the years ended 31 December 2023 and 2022 is calculated at 25% of the estimated assessable profits for the year.
- (ii) Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises and are subject to a preferential income tax rate of 5% during the year ended 31 December 2023 (2022: 2.5% or 5%).

## 7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB113,594,000 (2022: RMB114,200,000) and the weighted average of 146,667,000 ordinary shares (2022: 146,667,000 shares) in issue during the year.

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the years ended 31 December 2023 and 2022.

## 8 DIVIDENDS

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

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

The final dividend proposed for shareholders' approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

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

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

## 9 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

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

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

As at 31 December 2023, other receivables due from related parties are unsecured and interest-free.

**(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:

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

**(b) Expected credit loss on trade receivables**

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

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
At 1 January	<b>84,030</b>	61,582
Expected credit loss recognised	<b>52,623</b>	22,448
	<hr/> <b>136,653</b> <hr/>	<hr/> 84,030 <hr/>

## 10 TRADE AND OTHER PAYABLES

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

### Notes:

- (i) Starting from 2020, the Group received refurbishment payment from a tenant on behalf of fellow subsidiaries of BUCG, which provided refurbishment services to such tenant. As a result, the amount due to related parties at 31 December 2023 also included the refurbishment payment of RMB11,571,000 (2022: RMB16,624,000).
- (ii) Deposits mainly represent the deposits paid by the property owners and tenants for property management and refurbishment.
- (iii) Receipts on behalf of property owners and tenants mainly represent utility charges received from residents on behalf of utility companies and operation income on public facilities received on behalf of property owners.
- (iv) Housing maintenance funds payable mainly represents the housing maintenance funds received from Beijing Uni.-Construction Group Co., Ltd. (“BUCC”) by Beijing Uni.-Construction Beiyu Property Service Co., Ltd. (“Beiyu Property”). Pursuant to related regulations and instructions from BUCC, Beiyu Property received the housing maintenance funds from BUCC in connection with the transfer of property management service on certain residential properties, which are properties built prior to the adoption of public housing maintenance fund policy issued by related government authorities in the 1990’s. The funds are to be used along with the repair and overhaul of related properties in accordance with related regulations and instructions from BUCC.
- (v) All the trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

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

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

## 11 SHARE CAPITAL

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

## 12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 27 March 2024, the directors of the Company proposed a final dividend. Please see note 8 for further details.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

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

#### ***Property management services: accounting for approximately 61.8% of total revenue***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Service type	Year ended 31 December			
	2023		2022	
	Revenue RMB'000	Percentage of revenue %	Revenue RMB'000	Percentage of revenue %
Emergency support services	90,587	25.2	95,775	30.8
Sales office and display unit management and delivery services	64,816	18.1	63,922	20.6
Tenant sourcing and management services	62,236	17.3	44,360	14.3
Engineering operations and maintenance services	58,624	16.3	38,339	12.3
Construction site property services and container house leasing	35,843	10.0	38,114	12.3
Other services	46,724	13.1	30,401	9.7
<b>Total</b>	<b>358,830</b>	<b>100.0</b>	<b>310,911</b>	<b>100.0</b>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **FUTURE PROSPECT**

Looking ahead to 2024, we must fully implement the thoughts of socialism with Chinese characteristics for a new era. While upholding strategic stamina and persisting in the main theme of "seeking progress while maintaining stability, promoting stability through progress, and establishing the new before abolishing the old", we will strive to achieve both economic and social benefits through a coordinated approach to quality improvement and reasonable growth, in compliance with the Listing Rules and regulatory requirements of the property management industry. In addition, we are committed to implementing the national and capital development strategies to ensure our red services support national and public livelihoods through our strategic business decisions, and innovation and upgrading of property management. Furthermore, we are determined to accelerate the development of new productive forces as required, maximizing the Company's value through capital operations, and taking on the mission of business transformation as a state-owned enterprise in the capital. We will strive for our strategic goal of morphing into "a provider of China's best-in-class urban and lifestyle services".

## Financial Review

### Revenue

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

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

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

### Cost of Sales

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

## ***Gross Profit and Gross Profit Margin***

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

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

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

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

## ***Administrative Expenses***

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

## ***Other Income***

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

## ***Profit for the Year***

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

## ***Current Assets and Capital Structure***

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

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

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

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

## ***Property, Plant and Equipment***

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

## ***Investment Properties***

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

## ***Prepayments, Trade and Other Receivables***

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

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

### ***Trade and Other Payables***

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

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

### ***Capital Expenditure***

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

### ***Borrowing***

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

### ***Pledge of Assets***

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

### ***Significant Investments, Material Acquisitions and Disposals and Future Plans***

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

Except for the expansion plans disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Company’s prospectus dated 29 October 2021 (the “**Prospectus**”), there were no significant investments or acquisition of capital assets authorised by the Board as of the date of this announcement, 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 of Hong Kong Limited (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 31 December 2023, the Net Proceeds were used as planned. The portion of the Net Proceeds that had not been used were placed as interest-bearing deposits with domestic bank account for proceeds. The Company intends to use the Net Proceeds in accordance with the method and schedule set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

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

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

## ***Contingent Liabilities***

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

## ***Foreign Exchange Risk***

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

## **Employees and Remuneration Policy**

As at 31 December 2023, the Group had 1,865 employees (as at 31 December 2022: 2,085 employees). For the year ended 31 December 2023, the total staff costs were approximately RMB361.0 million (2022: approximately RMB428.2 million). The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions in order to encourage value creation of employees. The Group also provides employees with employee benefits including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund.

## **Employee Training and Development**

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

## **Final Dividend**

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

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

## Dividend Taxation

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

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》)(國稅函[2011]348號)) (the “**No. 348 Circular**”) issued on 28 June 2011, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China as well as the tax arrangements between China and Hong Kong or Macau. Pursuant to the No. 348 Circular, individual income tax at a tax rate of 10% may in general be withheld in respect of the dividend or bonus income to be distributed by the PRC non-foreign-invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders, without any application for favourable tax treatments. However, the tax rate for each overseas resident individual shareholder may vary depending on the relevant tax agreements between the countries of its domicile and the PRC.

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

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

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

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

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

### **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 (formerly known as Appendix 14) to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. Under code provision B.2.2 of the Corporate Governance Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The terms of the first session of the Board and the supervisory committee (the “**Supervisory Committee**”) of the Company expired on 21 December 2023. Considering that the election of the new session of the Board and the Supervisory Committee is under preparation, in order to ensure the continuity of the relevant work of the Company, the election of the new session of the Board and the Supervisory Committee will be postponed. The terms of the first session of the Board and the Supervisory Committee will be extended to the next session of the Board and the Supervisory Committee being elected at the 2023 AGM of the Company, and the terms of each of the special committees under the Board will also be extended accordingly. Prior to the completion of the election, all members of the first session of the Board and the Supervisory Committee will continue to discharge their respective responsibilities in accordance with the relevant requirements of the laws, regulations and the articles of association of the Company. The Company will publish an announcement and a circular containing particulars of the candidates for members of the new session of the Board and the Supervisory Committee as soon as practicable.

Further information on the Company’s corporate governance practices will be set out in the corporate governance report of the Company’s annual report for the year ended 31 December 2023.

The Company will continue to review and monitor its corporate governance practices on a regular basis to ensure compliance with the Corporate Governance Code, and maintains the Company's high standard of corporate governance practices.

### **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 (formerly known as Appendix 10) to the Listing Rules as a code of conduct for securities transactions by the Directors and supervisors (the “**Supervisors**”) of the Company. The Company has made specific enquiries to all Directors and Supervisors and they have confirmed that they have complied with the Model Code for the year ended 31 December 2023.

### **Purchase, Sale or Redemption of the Listed Securities of the Company**

For the year ended 31 December 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **Public Float**

Based on the published information and to the knowledge of the Directors, for the year ended 31 December 2023 and as at the date of this announcement, the Company maintained sufficient public float in compliance with the Listing Rules.

### **Accounts Review**

The Company established an audit committee (the “**Audit Committee**”) in compliance with the 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 to the Group. The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2023, and discussed with the management and auditors of the Group the accounting principles and practices adopted by the Group, as well as risk management, internal control and financial reporting related matters.

### **Scope of Work of KPMG**

The financial figures in respect of the Group's consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary result announcement have been compared by the Group's auditor, KPMG (Certified Public Accountants) to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

## **2023 AGM**

The 2023 AGM will be held on Wednesday, 22 May 2024. The notice of the 2023 AGM will be published on the Company's website ([www.bcjps.com](http://www.bcjps.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and dispatched to the Shareholders (as and when necessary) in the manner prescribed under the Listing Rules in due course.

### **Closure of Register of Members**

For the purpose of determining the Shareholders' entitlement to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Friday, 17 May 2024 to Wednesday, 22 May 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the Shareholders to attend and vote at the 2023 AGM, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares) or the Office of the Board of Directors of the Company at 11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, the PRC (for holders of Domestic shares) not later than 4:30 p.m. on Thursday, 16 May 2024, for registration. Shareholders whose names appear on the register of members of the Company on Wednesday, 22 May 2024 are entitled to attend and vote at the 2023 AGM.

For the purpose of determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 28 May 2024 to Monday, 3 June 2024, both days inclusive, during which no transfer of shares will be registered. In order to determine the Shareholders' entitlement to the proposed final dividend, all the completed share transfer forms accompanied by the relevant share certificates must be lodged with the Computershare Hong Kong Investor Services Limited (the Company's H share registrar), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares) or the Office of the Board of Directors of the Company at 11/F, Building B, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, the PRC (for holders of Domestic shares) not later than 4:30 p.m. on Monday, 27 May 2024, for registration. Shareholders whose names appear on the register of members of the Company on Monday, 3 June 2024 are entitled to receive the above final dividend.

### **Events after the Reporting Period**

Save as disclosed in this announcement, no other significant events subsequent to 31 December 2023 and up to the date of this announcement that might have a material impact on the Group's operating and financial performance need to be disclosed.

## **Publication of Annual Results and Annual Report**

This annual results announcement has been published on the Company's website (www.bcjps.com) and the Stock Exchange's website (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2023, which contains all the information required by the Listing Rules, will be dispatched to Shareholders and published on the above websites in due course as and when necessary.

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

Beijing, the PRC, 27 March 2024

*As at the date of this announcement, the Board consists of Mr. Zhang Weize, Mr. Yang Jun, Mr. Luo Zhou and Mr. Yao Xin as executive Directors, Ms. Jiang Xin and Mr. Mao Lei as non-executive Directors, Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo as independent non-executive Directors.*

\* *For the purpose of identification only.*