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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 2021**

**FINANCIAL SUMMARY**

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
Revenue ( <i>RMB million</i> )	<b>1,224.6</b>	1,090.6
Gross profit ( <i>RMB million</i> )	<b>272.6</b>	226.5
Gross profit margin	<b>22.3%</b>	20.8%
Profit for the year ( <i>RMB million</i> )	<b>84.1</b>	68.8
Net profit margin	<b>6.9%</b>	6.3%
Profit for the year attributable to equity shareholders of the Company ( <i>RMB million</i> )	<b>82.8</b>	57.5
Basic earnings per share ( <i>RMB</i> )	<b>0.72</b>	0.56
Cash and cash equivalents ( <i>RMB million</i> )	<b>1,087.3</b>	747.0
Proposed final dividend per share ( <i>RMB</i> )	<b>0.1581</b>	—

For the year ended 31 December 2021, the total revenue of the Group was approximately RMB1,224.6 million (2020: approximately RMB1,090.6 million), representing an increase of approximately 12.3% from the same period in 2020.

For the year ended 31 December 2021, the gross profit of the Group was approximately RMB272.6 million, representing an increase of 20.4% from the same period in 2020. The Group's gross profit margin was 22.3%, representing an increase of 1.5 percentage points from the same period in 2020.

For the year ended 31 December 2021, the profit for the year of the Group was approximately RMB84.1 million, representing an increase of 22.4% from the same period in 2020.

As at 31 December 2021, the Group's cash and cash equivalents amounted to approximately RMB1,087.3 million, representing an increase of approximately 45.5% compared with that as at 31 December 2020.

As of 31 December 2021, the Group had 31.6 million sq.m. of area under its management, representing an increase of 8.8% compared with 31 December 2020.

The Board recommended the payment of a final dividend of RMB0.1581 per share (tax inclusive) for the year ended 31 December 2021.

## **ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Capital Jiaye Property Services Co., Limited (the “**Company**”) hereby announces the annual consolidated results of the Company and its subsidiaries (the “**Group**” or “**We**”) for the year ended 31 December 2021, together with comparative figures for the year ended 31 December 2020.

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

*For the year ended 31 December 2021*

*(Expressed in Renminbi (“RMB”))*

	<i>Note</i>	<b>2021</b>	2020
		<b><i>RMB’000</i></b>	<i>RMB’000</i>
<b>Revenue</b>	<i>3</i>	<b>1,224,584</b>	1,090,554
Cost of sales		<u>(951,935)</u>	<u>(864,080)</u>
<b>Gross profit</b>		<b>272,649</b>	226,474
Other income	<i>4</i>	<b>5,750</b>	13,600
Administrative expenses		<b>(163,886)</b>	(143,581)
Selling expenses		<b>(10,021)</b>	(9,228)
Expected credit loss on trade and other receivables	<i>5(d)</i>	<u><b>(9,697)</b></u>	<u>(6,343)</u>
<b>Profit from operations</b>		<b>94,795</b>	80,922
Finance income	<i>5(a)</i>	<b>18,524</b>	12,476
Finance costs	<i>5(b)</i>	<u><b>(2,480)</b></u>	<u>(2,338)</u>
<b>Profit before taxation</b>	<i>5</i>	<b>110,839</b>	91,060
Income tax	<i>6</i>	<u><b>(26,692)</b></u>	<u>(22,303)</u>
<b>Profit for the year</b>		<u><b>84,147</b></u>	<u>68,757</u>

	<i>Note</i>	<b>2021</b> <b>RMB'000</b>	2020 <i>RMB'000</i>
<b>Profit for the year</b>		<b>84,147</b>	68,757
<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>(2,665)</b>	2,408
Income tax relating to remeasurement of defined benefit obligations		<b>666</b>	(602)
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserves		<b>1,317</b>	(1,187)
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		<b>(329)</b>	297
<b>Other comprehensive income for the year</b>		<b>(1,011)</b>	916
<b>Total comprehensive income for the year</b>		<b>83,136</b>	69,673
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<b>82,753</b>	57,504
Non-controlling interests		<b>1,394</b>	11,253
		<b>84,147</b>	68,757
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>81,741</b>	58,343
Non-controlling interests		<b>1,395</b>	11,330
		<b>83,136</b>	69,673
<b>Earnings per share (RMB)</b>	<b>7</b>	<b>0.72</b>	0.56

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

(Expressed in RMB)

	Note	2021 RMB'000	2020 RMB'000
<b>Non-current assets</b>			
Investment properties		105,230	103,580
Property, plant and equipment		33,637	24,974
Intangible assets		2,849	3,133
Other financial assets		95,727	94,410
Deferred tax assets		32,239	28,318
		<u>269,682</u>	<u>254,415</u>
<b>Current assets</b>			
Inventories		5,645	6,924
Prepayments, trade and other receivables	9	462,465	568,932
Restricted cash		6,052	4,916
Cash and cash equivalents		1,087,296	747,044
		<u>1,561,458</u>	<u>1,327,816</u>
<b>Current liabilities</b>			
Trade and other payables	10	732,113	743,067
Contract liabilities		273,682	248,617
Lease liabilities		3,428	3,167
Current taxation		16,558	78,718
		<u>1,025,781</u>	<u>1,073,569</u>
<b>Net current assets</b>		<u>535,677</u>	<u>254,247</u>

	<i>Note</i>	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>Total assets less current liabilities</b>		<b>805,359</b>	508,662
<b>Non-current liabilities</b>			
Lease liabilities		<b>1,469</b>	2,469
Deferred tax liabilities		<b>33,341</b>	32,622
Defined benefit obligations		<b>66,342</b>	59,449
		<b>101,152</b>	94,540
<b>NET ASSETS</b>		<b>704,207</b>	414,122
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>11</i>	<b>146,667</b>	110,000
Reserves		<b>534,136</b>	282,113
Total equity attributable to equity shareholders of the Company		<b>680,803</b>	392,113
Non-controlling interests		<b>23,404</b>	22,009
<b>TOTAL EQUITY</b>		<b>704,207</b>	414,122

# 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 SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

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

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

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

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

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

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

- the establishment of the Company on 22 December 2020;
- BUCC, a wholly-owned subsidiary of BUCG, subscribed 20,881,485 ordinary shares of the Company with its 100% equity interest in Beijing Uni.-Construction Beiyu Property Service Co., Ltd. (“**Beiyu Property**”) and cash of RMB43,000,000;
- BUCG subscribed 38,779,865 ordinary shares of the Company with its 100% equity interest in Beijing Urban Construction Group Properties Co., Ltd. (“**BUCG Properties**”);
- Beijing Urban Construction Investment & Development Co., Ltd. (“**BUCID**”), an A-share listed company in the PRC and a 41.86% owned subsidiary of BUCG, subscribed 49,092,189 ordinary shares of the Company with its 100% equity interest in Beijing Chengcheng Property Management Co., Ltd. (“**Chengcheng Property**”) and Beijing Urban Construction Chongqing Property Management Co., Ltd. (“**Chongqing Property**”); and
- Beijing Tianjie Group Co., Ltd., a state-owned company held by the State-owned Assets Supervision and Administration Commission of Dongcheng District People’s Government of Beijing Municipality, subscribed 1,246,461 ordinary shares of the Company with cash of RMB10,000,000.



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

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

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

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

- *investment property*
- *financial instruments classified as fair value through profit or loss or as fair value through other comprehensive income*

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

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

**(c) Changes in accounting policies**

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform – phase 2*
- Amendment to IFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

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

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

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

**(b) Segment reporting**

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

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

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

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<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>1,203,305</b>	1,039,803
– Revenue recognised at point in time	<b>4,919</b>	22,909
<b>Revenue from other sources</b>		
– Rental income	<b>16,360</b>	27,842
	<b><u>1,224,584</u></b>	<u>1,090,554</u>
<b>Disaggregated by service lines</b>		
– Property management services	<b>806,856</b>	732,986
– Value-added services to non-property owners	<b>144,791</b>	112,419
– Community value-added services	<b>272,937</b>	245,149
	<b><u>1,224,584</u></b>	<u>1,090,554</u>

For the year ended 31 December 2021, revenue from BUCG and its subsidiaries (the “**BUCG Group**”) contributed 18.3% (2020:16.6%) of the Group's revenue. Other than the BUCG Group, the Group's customer base is diversified and none of them contributed 10% or more of the Group's revenue during the years ended 31 December 2020 and 2021.

#### 4 OTHER INCOME

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

*Note:*

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

#### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

**(a) Finance income**

	<b>2021</b> <b><i>RMB'000</i></b>	<b>2020</b> <b><i>RMB'000</i></b>
Interest income on bank deposits	<b>16,397</b>	2,103
Interest income on receivables from related parties	<b>2,127</b>	10,373
	<b><u>18,524</u></b>	<b><u>12,476</u></b>

**(b) Finance costs**

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Interest on defined benefit obligations	<b>2,199</b>	2,067
Interest on lease liabilities	<b>281</b>	271
	<u><b>2,480</b></u>	<u>2,338</u>

**(c) Staff costs**

	<i>Note</i>	<b>2021</b>	2020
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
Salaries, wages and other benefits		<b>384,349</b>	379,617
Expenses recognised in respect of defined benefit retirement plans		<b>3,842</b>	2,210
Contributions to defined contribution retirement plan	<i>(i)</i>	<u><b>39,721</b></u>	<u>9,566</u>
		<u><b>427,912</b></u>	<u>391,393</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. To reduce the impact of the COVID-19 pandemic on enterprises, governments in certain regions in the PRC had gradually reduced or exempted the social insurance contributions in 2020.

(d) Other items

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

**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:

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

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

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

*Notes:*

- (i) The provision for PRC Corporate Income Tax for the years ended 31 December 2021 and 2020 is calculated at 25% of the estimated assessable profits for the year.
- (ii) Pursuant to Caishui [2011] No. 58 Notice on Issues Concerning Relevant Tax Policies to In-depth Implementation of the Western Development Strategy and Announcement [2012] No. 12 Public Announcement on Corporate Income Tax Issues Relating to In-depth Implementation of the Western Development Strategy, Chongqing Property, being the enterprise engaged in state encouraged industries established in the specified western regions, was taxed at a preferential income tax rate of 15% in 2021.

## **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 RMB82,753,000 (2020: RMB57,504,000) and the weighted average of 115,224,000 ordinary shares (2020: 103,427,000) in issue during the year, calculated as follows:

## Weighted average number of ordinary shares

	<b>2021</b> <b>'000</b>	2020 <b>'000</b>
Issued ordinary shares on 1 January	<b>110,000</b>	–
Effect of issue of ordinary shares	<b>5,224</b>	103,427
	<hr/>	<hr/>
Weighted average number of ordinary shares on 31 December	<b>115,224</b>	103,427
	<hr/> <hr/>	<hr/> <hr/>

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

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

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

## 8 DIVIDENDS

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

	<b>2021</b> <b>RMB'000</b>	2020 <b>RMB'000</b>
Final dividend proposed after the end of the reporting period of RMB15.81 cents (2020: nil) per ordinary share	<b>23,188</b>	–
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The final dividend proposed for shareholder's approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) No dividends have been paid by the Company since its establishment.



## 9 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

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

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

As at 31 December 2021, other receivables due from related parties are unsecured and interest-free.

All trade and other receivables are expected to be recovered or recognised as expense within one year.

**(a) Ageing Analysis**

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

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

Trade receivables are due when the receivables are recognised.

**(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>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
On 1 January	<b>51,885</b>	45,471
Expected credit loss recognised	<b>9,697</b>	6,414
On 31 December	<b>61,582</b>	51,885

## 10 TRADE AND OTHER PAYABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade payables		
– related parties	47,637	29,009
– third parties	<u>181,040</u>	<u>134,842</u>
	<u>228,677</u>	<u>163,851</u>
Amounts due to related parties ( <i>Note(i)</i> )	25,323	95,307
Accrued payroll and other benefits	21,338	19,803
Other taxes and charges payable	16,278	25,796
Deposits ( <i>Note (ii)</i> )	77,431	71,129
Amounts due to property owners	14,378	14,378
Receipts on behalf of property owners and tenants ( <i>Note (iii)</i> )	58,847	50,692
Housing maintenance funds payable ( <i>Note (iv)</i> )	216,332	235,105
Amounts due to property developers	13,812	13,812
Other payables and accruals	<u>59,697</u>	<u>53,194</u>
	<u>503,436</u>	<u>579,216</u>
	<u><u>732,113</u></u>	<u><u>743,067</u></u>

### Notes:

- (i) Starting from 2020, the Group received refurbishment payment from a tenant on behalf of fellow subsidiaries of BUCG, which provide refurbishment services to such tenant. As a result, the amount due to related parties as at 31 December 2021 also included the refurbishment payment of RMB16,624,000 (2020: RMB79,547,000).
- (ii) Deposits mainly represent the deposits paid by the property owners and tenants for property management and refurbishment.
- (iii) Receipts on behalf of property owners and tenants mainly represent utility charges received from residents on behalf of utility companies and operation income on public facilities received on behalf of property owners.

- (iv) Housing maintenance funds payable mainly represents the housing maintenance funds Beiyu Property received from BUCC. Pursuant to related regulations and instructions from BUCC, Beiyu Property received the housing maintenance funds from BUCC in connection with the transfer of property management service on certain residential properties, which are properties built prior to the adoption of public housing maintenance fund policy issued by related government authorities in the 1990's. The funds are to be used along with the repair and overhaul of related properties in accordance with related regulations and instructions from BUCC.
- (v) All the trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>200,715</b>	131,319
1 to 2 years	<b>7,814</b>	5,635
2 to 3 years	<b>3,611</b>	1,574
Over 3 years	<b>16,537</b>	25,323
	<b><u>228,677</u></b>	<u>163,851</u>

## 11 SHARE CAPITAL

	<i>No. of shares</i>	<i>RMB'000</i>
	<i>'000</i>	
<b>Ordinary shares issued and fully paid</b>		
As at 22 December 2020 (date of establishment)	–	–
Issue of shares ( <i>Note 2(b)</i> )	<u>110,000</u>	<u>110,000</u>
As at 31 December 2020 and 1 January 2021	110,000	110,000
Issue of ordinary shares upon initial public offerings	<u>36,667</u>	<u>36,667</u>
As at 31 December 2021	<b><u>146,667</u></b>	<b><u>146,667</u></b>

The Company was established in the PRC on 22 December 2020 as a joint stock company with limited liability with a registered share capital of RMB110,000,000.

On 10 November 2021, the Company issued 36,667,200 H shares with par value of RMB1.00 at a price of HK\$8.28 per share by way of initial public offering to Hong Kong and overseas investors. Net proceeds from such issue amounted to HK\$252,107,000 (equivalent to RMB206,949,000), out of which HK\$44,668,000 (equivalent to RMB36,667,000) and HK\$207,439,000 (equivalent to RMB170,282,000) were recorded in share capital and capital reserve, respectively.

## **12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD**

On 29 March 2022, the directors of the Company proposed a final dividend. Further details are disclosed in Note 8.

## **CHAIRMAN’ S STATEMENT**

**Dear Shareholders,**

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

### **2021 Review**

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

### **Witnessing sustained steady growth in development indicators**

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

### **Keeping improving comprehensive strength on a multi-dimensional basis**

Efficiently completing the work targets set at the beginning of the year. After official launch of our global offering in February 2021, we were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in November 2021, making us the first provincial state-owned H-share property management company in Hong Kong. We ranked 24th among “China’s

Top 100 Property Management Companies in 2021” (“2021中國物業服務百強企業”), won the titles of “China’s Socially Responsible Property Management Services Enterprise of the Year” (“中國物業服務年度社會責任感企業”) and “China Property Management Services Enterprise Featured Brand – Property Management Services for Construction Sites” (“中國物業服務特色品牌企業—施工現場物業化”), and became a member unit of China Property Management Institute and vice president unit of Beijing Property Management Association. All these demonstrated our “national craftsmanship” and our strength, setting a benchmark for the reform and integrated development of state-owned enterprises.

### **Making greater efforts in market expansion**

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

### **Cooperating with multiple parties to contribute to social governance**

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

production of our customers with professionalism. We made every effort to carry out waste sorting in Beijing, to build Beijing into an eco-friendly home, and achieve sustainable development.

## **Future Prospect**

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

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

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



## **Deepening reforms and strengthening management to continuously improve governance**

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

## **Practicing benchmarking and innovation to continuously improve quality and efficiency**

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

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

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

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

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

Beijing, the PRC  
29 March 2022

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

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

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

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

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

The steady development and support of Beijing Urban Construction Group Co., Ltd., Beijing Urban Construction Investment & Development Co., Ltd., and Beijing Uni.-Construction Group Co., Ltd. who are controlling shareholders of the Company and leading construction companies in the PRC, have brought the Group sustained business increment. As of 31 December 2021, the contract management area from the Beijing Urban Construction Group Co., Ltd. and its related parties was approximately 21.4 million sq.m., representing an increase of 2.4 million sq.m. of contract management area as compared to 31 December 2020.

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

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

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

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

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

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

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

In respect of residential properties, based on the concept of modern, personalized, specialized and family-oriented property service, the Group is committed to integrate the spiritual and cultural needs of property owners in the building of a harmonious society. During the year, the Group improved its operation efficiency through standardized services and customized value-added service system to stabilize the service quality. As of 31 December 2021, the area of the residential properties under management of the Group was approximately 22.1 million sq.m., accounting for approximately 69.9% of the total area under management of the Group. For the year ended 31 December 2021, the revenue from management service for residential properties amounted to approximately RMB430.4 million, representing an increase of approximately 11.6% as compared to the same period in 2020 and accounting for approximately 53.3% of the Group's total revenue from property management service.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

## FINANCIAL REVIEW

### Revenue

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

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



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

## Cost of Sales

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

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

## Gross Profit and Gross Profit Margin

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

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

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

### **Administrative Expenses**

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

### **Other Income**

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

## **Profit for the Year**

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

## **Current Assets and Capital Structure**

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

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

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

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

## **Property, Plant and Equipment**

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

## **Investment Properties**

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

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

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

Other receivables of the Group mainly comprised payments on behalf of customers and deposits paid for the provision of property management services. Other receivables of the Group decreased from approximately RMB233.2 million as of 31 December 2020 to approximately RMB14.7 million as of 31 December 2021, mainly due to the repayment of other receivables from related parties.

## **Trade and Other Payables**

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

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

## **Capital Expenditure**

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

## **Borrowing**

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

## **Pledge of Assets**

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

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

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

## **The Proceeds from the Listing**

The Company's H shares were successfully listed on the Stock Exchange on 10 November 2021 (the "**Listing Date**"), and 36,667,200 H shares were issued. After deduction of underwriting fees and related expenses, the net proceeds from the listing (the "**net proceeds**") were approximately HK\$246.9 million.

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

## **Contingent Liabilities**

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

## **Foreign Exchange Risk**

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

## **Subsequent Events**

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

## **Employees and Remuneration Policy**

As at 31 December 2021, the Group had 2,051 employees (as at 31 December 2020: 2,035 employees). For the year ended 31 December 2021, the total staff costs were approximately RMB427.9 million (2020: RMB391.4 million). The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions in order to encourage value creation of employees. The Group also provides employees with employee benefits including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund.

## **Employee Training and Development**

The Group places a strong emphasis on recruiting high-quality personnel and provides employees with continuous training 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.

## **Compliance with the Corporate Governance Code**

The Group has adopted the code provisions in the Corporate Governance Code (the version up to 31 December 2021) (the “**Corporate Governance Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Group has complied with all the applicable code provisions of the Corporate Governance Code throughout the period from the Listing Date to 31 December 2021.

## **Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as a code of conduct for securities transactions by the Directors and Supervisors of the Company.



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

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

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

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

### **Public Float**

Based on the published information and to the knowledge of the Directors, for the year ended 31 December 2021 and as at the date of this 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 14 to the Listing Rules, with its working rules in writing. The Audit Committee, authorized by the Board, is responsible for reviewing and supervising the Company's financial reporting, risk management and internal control systems, and assisting the Board in performing its audit responsibilities of the Company. The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2021, and discussed with the management and auditors of the Company the accounting principles and practices adopted by the Group, as well as risk management, internal control and financial reporting related matters.



## Scope of Work of KPMG

The financial figures in respect of the Group's consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 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.

## Final Dividend

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

## 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.

## **2021 AGM**

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

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

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

This annual results announcement has been published on the Company's website ([www.bcjps.com](http://www.bcjps.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended 31 December 2021, which contains all the information required by the Listing Rules, will be dispatched to Shareholders and published on the above websites in due course.

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

Beijing, the PRC  
29 March 2022

*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, Mr. Xie Ping and Mr. Mao Lei as non-executive Directors, Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo as independent non-executive Directors.*