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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 2022

FINANCIAL SUMMARY	For the year ended 31 December	
	2022	2021
Revenue (<i>RMB million</i>)	1,567.2	1,224.6
Gross profit (<i>RMB million</i>)	347.3	272.6
Gross profit margin	22.2%	22.3%
Profit for the year (<i>RMB million</i>)	115.2	84.1
Net profit margin	7.4%	6.9%
Profit for the year attributable to equity shareholders of the Company (<i>RMB million</i>)	114.2	82.8
Basic earnings per share (<i>RMB</i>)	0.78	0.72
Cash and cash equivalents (<i>RMB million</i>)	1,140.7	1,087.3
Proposed final dividend per share (<i>RMB</i>)	0.2175	0.1581

For the year ended 31 December 2022, the total revenue of the Group was approximately RMB1,567.2 million (2021: approximately RMB1,224.6 million), representing an increase of approximately 28.0% from the same period in 2021.

For the year ended 31 December 2022, the gross profit of the Group was approximately RMB347.3 million, representing an increase of approximately 27.4% from the same period in 2021. The Group's gross profit margin was 22.2%, representing a decrease of 0.1 percentage point from the same period in 2021.

For the year ended 31 December 2022, the profit for the year of the Group was approximately RMB115.2 million, representing an increase of approximately 37.0% from the same period in 2021.

As at 31 December 2022, the Group's cash and cash equivalents amounted to approximately RMB1,140.7 million, representing an increase of approximately 4.9% compared with that as at 31 December 2021.

As at 31 December 2022, the Group had approximately 36.9 million sq.m. of area under its management, representing an increase of approximately 16.7% compared with 31 December 2021.

The Board recommended the payment of a final dividend of RMB0.2175 per share (tax inclusive) for the year ended 31 December 2022.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Capital Jiaye Property Services Co., Limited (the “**Company**”) hereby announce the audited consolidated annual results of the Company and its subsidiaries (the “**Group**” or “**we**”) for the year ended 31 December 2022, together with comparative figures for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

(Expressed in Renminbi (“RMB”))

	Note	2022 RMB'000	2021 RMB'000
Revenue	3	1,567,164	1,224,584
Cost of sales		<u>(1,219,859)</u>	<u>(951,935)</u>
Gross profit		347,305	272,649
Other income	4	12,844	5,750
Administrative expenses		(197,974)	(163,886)
Selling expenses		(9,737)	(10,021)
Expected credit loss on trade and other receivables	5(d)	<u>(22,405)</u>	<u>(9,697)</u>
Profit from operations		130,033	94,795
Finance income	5(a)	22,245	18,524
Finance costs	5(b)	<u>(2,194)</u>	<u>(2,480)</u>
Profit before taxation	5	150,084	110,839
Income tax	6	<u>(34,917)</u>	<u>(26,692)</u>
Profit for the year		<u>115,167</u>	<u>84,147</u>

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit for the year		115,167	84,147
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations		(1,409)	(2,665)
Income tax relating to remeasurement of defined benefit obligations		352	666
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserves		(23,147)	1,317
Income tax relating to equity investments at FVOCI – net movement in fair value reserves		5,786	(329)
Other comprehensive income for the year		(18,418)	(1,011)
Total comprehensive income for the year		96,749	83,136
Profit attributable to:			
Equity shareholders of the Company		114,200	82,753
Non-controlling interests		967	1,394
		115,167	84,147
Total comprehensive income attributable to:			
Equity shareholders of the Company		95,782	81,741
Non-controlling interests		967	1,395
		96,749	83,136
Earnings per share (RMB)	7	0.78	0.72

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

(Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000
Non-current assets			
Investment properties		107,710	105,230
Property, plant and equipment		60,739	33,637
Intangible assets		14,002	2,849
Other financial assets		72,580	95,727
Deferred tax assets		44,027	32,239
		<u>299,058</u>	<u>269,682</u>
Current assets			
Inventories		5,844	5,645
Prepayments, trade and other receivables	9	726,229	462,465
Restricted cash		7,592	6,052
Cash and cash equivalents		1,140,733	1,087,296
		<u>1,880,398</u>	<u>1,561,458</u>
Current liabilities			
Trade and other payables	10	973,682	732,113
Contract liabilities		305,567	273,682
Lease liabilities		646	3,428
Current taxation		12,716	16,558
		<u>1,292,611</u>	<u>1,025,781</u>
Net current assets		<u>587,787</u>	<u>535,677</u>

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Total assets less current liabilities		886,845	805,359
Non-current liabilities			
Lease liabilities		490	1,469
Deferred tax liabilities		34,323	33,341
Defined benefit obligations		69,663	66,342
		104,476	101,152
NET ASSETS		782,369	704,207
CAPITAL AND RESERVES			
Share capital	<i>11</i>	146,667	146,667
Reserves		606,730	534,136
Total equity attributable to equity shareholders of the Company		753,397	680,803
Non-controlling interests		28,972	23,404
TOTAL EQUITY		782,369	704,207

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 2022 comprise the Company and its subsidiaries.

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 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 IAS 16, Property, Plant and Equipment: Proceeds before Intended Use

Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract

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 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 the PRC, and customers and all of the Group's assets are situated in the PRC.

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by timing of revenue recognition		
— Revenue recognised over time	1,537,886	1,203,305
— Revenue recognised at point in time	1,543	4,919
Revenue from other sources		
— Rental income	<u>27,735</u>	<u>16,360</u>
	<u>1,567,164</u>	<u>1,224,584</u>
Disaggregated by service lines		
— Property management services	935,352	806,856
— Value-added services to non-property owners	310,911	144,791
— Value-added services to community	<u>320,901</u>	<u>272,937</u>
	<u>1,567,164</u>	<u>1,224,584</u>

For the year ended 31 December 2022, revenue from BUCG and its subsidiaries (the “**BUCG Group**”) contributed 20.3% (2021: 18.3%) 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 2022 (2021: nil).

4 OTHER INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Fair value gain of investment properties	2,480	1,650
Net loss on disposal of property, plant and equipment	(89)	–
Additional deduction of input value-added tax (“VAT”)	5,191	5,097
Net foreign exchange gains/(losses)	4,863	(1,020)
Others	399	23
	<u>12,844</u>	<u>5,750</u>

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 2021 and 2022.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting/charging:

(a) **Finance income**

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest income on bank deposits	22,245	16,397
Interest income on receivables from related parties	–	2,127
	<u>22,245</u>	<u>18,524</u>

(b) **Finance costs**

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on defined benefit obligations	2,100	2,199
Interest on lease liabilities	94	281
	<u>2,194</u>	<u>2,480</u>

(c) **Staff costs**

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits	383,935	384,349
Expenses recognised in respect of defined benefit retirement plans	1,853	3,842
Contributions to defined contribution retirement plan	42,444	39,721
	428,232	427,912

Note:

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

(d) **Other items**

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation cost of intangible assets	1,349	488
Depreciation charge		
— Owned property, plant and equipment	12,523	6,040
— Other properties leased for own use carried at cost	1,879	5,112
Bank charges	2,243	2,042
Cost of inventories	1,374	1,424
Expected credit loss on trade and other receivables		
— Trade receivables	22,448	9,697
— Other receivables	(43)	—
Auditors' remuneration		
— Audit services	3,557	2,630
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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax – PRC Corporate Income Tax		
Provision for the year	41,149	29,557
Deferred tax		
Origination and reversal of temporary differences	<u>(6,232)</u>	<u>(2,865)</u>
	<u>34,917</u>	<u>26,692</u>

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

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit before taxation		<u>150,084</u>	<u>110,839</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	<i>(i)</i>	37,521	27,710
Tax effect of PRC preferential tax rates	<i>(ii)</i>	(973)	(939)
Tax effect of non-deductible expenses		108	19
Tax effect of non-taxable profit		(1,747)	(8)
Others		<u>8</u>	<u>(90)</u>
Actual tax expense		<u>34,917</u>	<u>26,692</u>

Notes:

- (i) The provision for PRC Corporate Income Tax for the years ended 31 December 2022 and 2021 is calculated at 25% of the estimated assessable profits for the year.
- (ii) Beijing Urban Construction Chongqing Property Management Co., Ltd. (“**Chongqing Property**”), as the enterprise engaged in state encouraged industries established in the specified western regions, was taxed at a preferential corporate income tax rate of 15% 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 in 2021. In 2022, Chongqing Property has been approved as Small Low-profit Enterprises and is subject to a preferential income tax rate of 5% during the reporting period.

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 RMB114,260,000 (2021: RMB82,753,000) and the weighted average of 146,667,000 ordinary shares (2021: 115,224,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2022 '000	2021 '000
Issued ordinary shares at 1 January	146,667	110,000
Effect of issue of ordinary shares	—	5,224
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December	146,667	115,224
	<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.

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 2022 and 2021.

8 DIVIDENDS

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

	2022 RMB'000	2021 RMB'000
Final dividend proposed after the end of the reporting period of RMB21.75 cents (2021: RMB15.81 cents) per ordinary share	31,900	23,188
	<hr/> <hr/>	<hr/> <hr/>

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:

	2022 RMB'000	2021 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB15.81 cents per ordinary share (2021: nil)	23,188	—
	<hr/> <hr/>	<hr/> <hr/>

9 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables		
– related parties	206,548	114,900
– third parties	532,493	296,641
	<u>739,041</u>	<u>411,541</u>
Less: allowance for trade receivables	<u>(84,030)</u>	<u>(61,582)</u>
	<u>655,011</u>	<u>349,959</u>
Other receivables due from related parties	1,988	2,274
Dividends receivable	1,050	1,550
Deposits	6,399	2,190
Other receivables	4,842	9,797
Less: allowance for other receivables	<u>(1,030)</u>	<u>(1,073)</u>
	<u>13,249</u>	<u>14,738</u>
Financial assets measured at amortised cost	668,260	364,697
Prepayments		
– related parties	19,290	19,288
– third parties	30,034	68,548
Input VAT to be deducted	<u>8,645</u>	<u>9,932</u>
	<u>726,229</u>	<u>462,465</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 2022, 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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	445,399	248,649
1 to 2 years	134,928	71,331
2 to 3 years	58,265	16,620
3 to 4 years	10,354	6,284
4 to 5 years	2,418	3,123
Over 5 years	3,647	3,952
	<hr/> 655,011 <hr/>	<hr/> 349,959 <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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
At 1 January	61,582	51,885
Expected credit loss recognised	22,448	9,697
	<hr/> 84,030 <hr/>	<hr/> 61,582 <hr/>

10 TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables		
– related parties	77,215	47,637
– third parties	<u>369,441</u>	<u>181,040</u>
	<u>446,656</u>	<u>228,677</u>
Amounts due to related parties (<i>Note (i)</i>)	48,518	25,323
Accrued payroll and other benefits	21,303	21,338
Other taxes and charges payable	40,111	16,278
Deposits (<i>Note (ii)</i>)	72,020	77,431
Amounts due to property owners	1,589	14,378
Receipts on behalf of property owners and tenants (<i>Note (iii)</i>)	72,254	58,847
Housing maintenance funds payable (<i>Note (iv)</i>)	214,229	216,332
Amounts due to property developers	3,812	13,812
Other payables and accruals	<u>53,190</u>	<u>59,697</u>
	<u>527,026</u>	<u>503,436</u>
	<u>973,682</u>	<u>732,113</u>

Notes:

- (i) Starting from 2020, the Group received refurbishment payment from a tenant on behalf of fellow subsidiaries of BUCG Group, which provided refurbishment services to such tenant. As a result, the amount due to related parties at 31 December 2022 also included the refurbishment payment of RMB16,624,000 (2021: 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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	362,842	200,715
1 to 2 years	70,320	7,814
2 to 3 years	246	3,611
Over 3 years	13,248	16,537
	446,656	228,677

11 SHARE CAPITAL

	<i>No. of shares</i> <i>'000</i>	<i>RMB'000</i>
Ordinary shares issued and fully paid		
At 1 January 2021	110,000	110,000
Issue of ordinary shares upon initial public offerings	36,667	36,667
At 31 December 2021, 1 January 2022 and 31 December 2022	146,667	146,667

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 HKD8.28 per share by way of initial public offering to Hong Kong and overseas investors. Net proceeds from such issue amounted to HKD252,107,000 (equivalent to RMB206,949,000) out of which HKD44,688,000 (equivalent to RMB36,667,000) and HKD207,439,000 (equivalent to RMB170,282,000) were recorded in share capital and capital reserve respectively.

12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 15 March 2023, the directors of the Company proposed a final dividend. Further details are disclosed in Note 8.

CHAIRMAN’S STATEMENT

Dear Shareholders,

I am delighted to present the annual results of the Group for the year ended 31 December 2022.

In 2022, with the massive support from the shareholders and the friends from all walks of life, the management team and all staff of the Group, as the provincial state-owned property management enterprise listed on the Stock Exchange, strived to overcome difficulties and finished the logistics services for the Olympic Winter Games, Paralympic Winter Games and the 20th National Congress of the Communist Party of China when COVID-19 emergency security and serving the capital were required, despite the adverse impact of increasing economic downward pressure and recurrence of the COVID-19 pandemic. Winning the battle of combating the pandemic, the Group achieved steady growth in all operating indicators, embodied its spirit of “Ready to serve with the power and will to win as an invincible army”, and polished the “red housekeeper” brand name. The Group ranked 21st among “China’s Top 100 Property Management Companies in 2022” (2022中國物業服務百強企業) and won the title of “2022 China’s Socially Responsible Property Management Services Enterprise of the Year” (2022中國物業服務年度社會責任感企業) by China Index Academy, Cric Property Management and China Property Management Research Institution.

In 2022, the total revenue of the Group was approximately RMB1,567.2 million, representing a year-on-year increase of about 28.0%; the Group’s gross profit was approximately RMB347.3 million, representing a year-on-year increase of 27.4%; the Group’s net profit was approximately RMB115.2 million, representing a year-on-year increase of 37.0%. As of 31 December 2022, the Group had 36.9 million sq.m. of area under its management, representing a year-on-year increase of 16.7%; the contracted area reached 39.2 million sq.m., representing a year-on-year increase of 15.02%. With a total of 226 projects under management, the Group had expanded its presence in 13 provinces, centrally-administered municipalities and autonomous regions across the country, achieving new breakthroughs in property portfolio including scientific research colleges, industrial parks, theaters and venues, subway stations, as well as nursing apartments featuring medical treatment. The Group had completed the acquisition of 60% equity interests in Beijing Zhuolian Property Management Co., Ltd.* (“**Zhuolian Property**”) (北京卓聯物業經營管理有限公司), and further expanded the high-end commercial property management business formats such as Asia Financial Center. The joint venture cooperation continued to advance, and Jiaye Tourism (Hainan) City Service Co., Ltd.* (“**Jiaye Lvwen**”) (佳業旅文(海南)城市服務有限責任公司) and Beijing Huairou Science City Property Services Co., Ltd.* (“**Huairou Science City Property**”) (北京懷柔科學城物業服務有限公司) were established successively. For accelerating the process of informatization and digitalization, the Group has established a service platform called “Jia Xiang Hui*” (佳享薈) to achieve integrated development of online and offline businesses.

In 2023, the Group will carry on propelling the scale of operations, intelligent management, grid-based development and service branding, effectively translating its state-owned-enterprise advantages, regional benefits and BUCG Group’s synergetic development advantages of whole industrial chain into market competitiveness.

Implementing multiple measures to promote scale development is the primary task of the Company. In terms of region selection, the Beijing-Tianjin-Hebei region has been taken as the main battlefield to increase regional density. In terms of project selection, we will opt for projects reinforcing our regional benefits and property portfolio and establish benchmarking and exemplary projects. In terms of expansion approach, we will take a step forward in new regions and in upstream and downstream of the industrial chain by means of acquisitions and mergers and joint venture cooperation. We will strengthen the research on three types of business patterns: To C (To customer), To B (To business) and To G (To government). We will focus on developing new businesses and new models such as “engineering + services”, urban space operations, and community-based elderly care to speed up the formation of new economic growth points.

Continuously improving the quality of property services is the value pursuit that the Company adheres to. Taking advantage of the opportunity to build a global digital economy benchmark city in Beijing and starting from the development mega-trend of combining application scenarios and intelligence, we will enhance operational efficiency of the Company through technology empowerment, and make property services both “intelligent” and “warm”. We will enhance our brand identity through “standardized basic service, personalized value-added service and differentiated brand positioning” and tirelessly strive to realize the strategic goal of “a provider of China’s best-in-class urban and lifestyle services”.

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

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

Beijing, the PRC
15 March 2023

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) value-added services to community.

Property management services: accounting for approximately 59.7% of total revenue

For the year ended 31 December 2022, the Group's revenue from property management services amounted to approximately RMB935.4 million, representing an increase of approximately 15.9% as compared with the same period in 2021, mainly due to the increase in the number of property projects and area under management of the Group.

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

Project source	2022		As of 31 December 2021		Area increased in the 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	22,416	57.2	21,427	62.9	989	4.6
Third parties	16,779	42.8	12,651	37.1	4,128	32.6
Total	39,195	100.0	34,078	100.0	5,117	15.0

As of 31 December 2022, the contract management area of the Group amounted to approximately 39.2 million sq.m. in total, representing a year-on-year increase of approximately 15%, of which the contract management area from projects of BUCG Group and its joint ventures or associates amounted to approximately 22.4 million sq.m., and the contract management area from third party projects amounted to approximately 16.8 million sq.m., representing a year-on-year increase of approximately 32.6% in the contract management area from third parties.

In terms of bidding, a total of 38 service projects were awarded in 2022, achieving a newly expanded property management area of approximately 5.3 million sq.m. The annualized amount of newly signed contracts was approximately RMB350 million, tapping into three new cities including Sanya, Changsha and Xiamen.

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 dates indicated:

Project source	As of 31 December					
	2022		The number of projects under management	2021		The number of projects under management
	Area under management <i>sq.m. '000</i>	%		Area under management <i>sq.m. '000</i>	%	
BUCG Group and its joint ventures or associates	20,153	54.6	134	18,762	59.3	124
Third parties	16,727	45.4	92	12,875	40.7	66
Total	36,880	100.0	226	31,637	100.0	190

As of 31 December 2022, the area under management of the Group amounted to approximately 36.9 million sq.m., of which the area under management from BUCG Group and its joint ventures or associates amounted to approximately 20.2 million sq.m., and the area under management from third parties amounted to approximately 16.7 million sq.m.

The Group continued to promote its diversification and multi-business development strategy, with its service offerings including residential, non-residential (commercial, hutong, public and other properties), etc. In particular, for the year ended 31 December 2022, the revenue from management service for residential properties was approximately RMB488.3 million, and the revenue from management service for non-residential properties was approximately RMB447.1 million, totaling approximately RMB935.4 million, representing an increase of approximately 15.9% as compared with the same period in 2021.

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 or dates indicated:

Property type	2022					2021				
	For the year ended 31 December		As of 31 December			For the year ended 31 December		As of 31 December		
	Revenue		Area under management		The number of projects under management	Revenue		Area under management		The number of projects under management
	RMB'000	%	sq.m. '000	%		RMB'000	%	sq.m. '000	%	
Residential Properties	488,293	52.2	24,285	65.8	141	430,415	53.3	22,109	69.9	125
Non-residential Properties	447,059	47.8	12,596	34.2	85	376,441	46.7	9,528	30.1	65
Total	935,352	100.0	36,880	100.0	226	806,856	100.0	31,637	100.0	190

The Group formulated and released 20 service standards for 14 business formats and fully implemented property service quality improvement actions in the projects under its management during 2022. By focusing on service touch points, standardized operations, customer relations and continuing to keep an eye on them, we regularly implemented service standards, comprehensively improved project management service level and operational efficiency and solidified service quality.

In respect of residential properties, the Group follows the concept of specialized, family-oriented and personalized property service, and is committed to building of a harmonious society. As of 31 December 2022, the area of the residential properties under management of the Group was approximately 24.3 million sq.m., accounting for approximately 65.8% of the total area under management of the Group. The revenue from management service for residential properties amounted to approximately RMB488.3 million, representing an increase of approximately 13.4% as compared with 31 December 2021, and accounting for approximately 52.2% 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 and deep understanding of customer needs, kept innovating its service experience and accelerated the expansion of market-oriented benchmarking projects. During the year, through the acquisition of Zhuolian Property, the Group harvested high-end commercial business formats such as Asia Financial Center, Beitou Investment Building (北投投資大廈) and Beitou Shopping Park (北投購物公園). As of 31 December 2022, the area of the commercial properties under management of the Group was approximately 2.1 million sq.m., representing an increase of approximately 62.5% as compared with 31 December 2021.

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. During the year, the Group achieved new breakthroughs in the management business formats such as research institutions, industrial parks, theater venues, subway stations and medical and geriatric care apartments. Both of the Beijing Municipal Administrative Center and military barracks have reached management scale of million square meters. As of 31 December 2022, the number of public and other property projects under the management of the Group was 42, representing an increase of 15 as compared with 31 December 2021, with an area under management of approximately 3.9 million sq.m., representing an increase of approximately 112.8% as compared with 31 December 2021.

In respect of hutong properties, the Group is experienced in the hutong property management service area. By continuously promoting the integration of property services into community governance, the Group fully demonstrated the characteristics of hutong. Relying on the scope of street property services, the Group developed diversified service contents such as yard environment enhancement, greening and landscaping, comforting services for the elderly, housekeeping services and neighborhood-watch timely. Working together with local governments, the Group established community elderly service stations and implemented the pilot of “Property + Elderly” service model, and therefore, formed a government-led, multi-faceted and interactive model of property services governance to improve the safety and well-being of the people.

Value-added services to non-property owners: accounting for approximately 19.8% of total revenue

The Group provided value-added services to non-property owners, including (i) emergency support services (namely, taking over multiple epidemic protection projects due to the COVID-19 epidemic in 2022); (ii) sales office and display unit management and delivery service; (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); (vi) others (including landscape engineering services, preliminary planning and design consulting services), etc.

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			
	2022		2021	
	RMB'000	Percentage of revenue %	RMB'000	Percentage of revenue %
Emergency support services	95,775	30.8	–	–
Sales office and display unit management and delivery service	63,922	20.6	57,472	39.7
Tenant sourcing and management services	44,360	14.3	54,190	37.4
Engineering operations and maintenance services	38,339	12.3	–	–
Construction site property services and container house leasing	38,114	12.3	–	–
Others	30,401	9.7	33,129	22.9
Total	310,911	100.0	144,790	100.0

For the year ended 31 December 2022, the Group’s revenue from value-added services to non-property owners amounted to approximately RMB310.9 million, representing an increase of approximately 114.7% over the same period in 2021, mainly due to the increases in revenue from emergency support projects, sales office and display unit management projects, engineering operations and maintenance services and construction site property services and container house leasing serviced by the Group.

The Group undertook the container house construction, pre-delivery cleaning, logistics operation and maintenance and catering services and other works for a number of emergency construction projects for COVID-19 epidemic prevention and control in Beijing and actively engaged in the operation and maintenance support tasks of five temporary hospitals and quarantine facilities, which received more than 30,000 centrally quarantined people and more than 20,000 patients, showing the responsibility of state-owned enterprises.

Centered on regional benchmarking projects, the Group's sales office services have expanded the presence around high-end service businesses to carry out peripheral projects and deeply developed external cooperation units. In 2022, the Group successfully obtained nine projects, including six external projects, two of which were elderly cares projects, exploring the field of high-end elderly housekeeping services. In 2022, the Group focused on service management, and won the Concierge 6S Management Innovation Award (金鑰匙管理創新獎6S), the title of "Concierge China Service Demonstration Enterprise" (金鑰匙中國服務示範企業) and the Certificate of China Property Management Brand Value (中國物業服務品牌價值研究成果鑒定書), opening up new revenue points for the sales office services in high-end conference, hotel service and high-end housekeeper service for the elderly. The Group continued to upgrade specialized services and to establish professional, integrated, innovative and humanized sales office specialized services.

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.

Value-added services to community: accounting for approximately 20.5% of total revenue

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

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

Service type	As of 31 December			
	2022		2021	
	RMB'000	Percentage of revenue %	RMB'000	Percentage of revenue %
Heat energy supply services	130,218	40.6	135,082	49.5
Carpark space operation services	56,752	17.7	61,987	22.7
Catering services	70,264	21.9	36,396	13.3
Others	63,667	19.8	39,472	14.5
Total	320,901	100.0	272,937	100.0

For the year ended 31 December 2022, the Group's revenue from value-added services to community amounted to approximately RMB320.9 million, representing an increase of approximately 17.6% as compared with the same period of 2021, mainly due to the growth of catering services business and maintenance services among other services.

At present, the Group is responsible for the operation service for heat energy supply of 10 heat energy generation plants and 30 management projects in Beijing, with a heating area of approximately 4.1 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.

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.

The Group's professional catering management team continues to make efforts in market expansion, with 20 projects expanded mainly concentrated in Beijing, Urumqi, Xinjiang and other regions. The takeover of the new projects shows that the market expansion policy of "winning the market through the site and acquiring high-quality existing projects through brand empowerment" is the beginning to show results, and the takeover of the construction sites and emergency support projects reflects the advantages of the catering company in the synergistic development of the Group. In the fight against the COVID-19 epidemic in 2022, the catering team also actively responded to the call from the higher level and completed the catering service of key service guarantee projects with quality and quantity, interpreting the mission of "teamwork, responsibility and rising to the challenge".

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 periods:

	Year ended 31 December				
	2022		2021		Growth Rate
	Percentage of revenue		Percentage of revenue		
<i>RMB'000</i>	%	<i>RMB'000</i>	%	%	
Property management services	935,352	59.7	806,856	65.9	16.0
Value-added services to non-property owners	310,911	19.8	144,791	11.8	114.7
Value-added services to community	320,901	20.5	272,937	22.3	17.4
Total	<u>1,567,164</u>	<u>100.0</u>	<u>1,224,584</u>	<u>100.0</u>	<u>28.0</u>

For the year ended 31 December 2022, the total revenue of the Group was approximately RMB1,567.2 million (2021: approximately RMB1,224.6 million), representing an increase of approximately 28.0% as compared with the same period in 2021, 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 2022, the cost of sales of the Group was approximately RMB1,219.9 million (2021: approximately RMB951.9 million), representing an increase of approximately 28.2% as compared with the same period in 2021, 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.

Gross Profit and Gross Profit Margin

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

	Year ended 31 December					
	2022		2021			
	Gross profit (RMB'000)	Gross profit ratio %	Gross profit margin%	Gross profit (RMB'000)	Gross profit ratio %	Gross profit margin%
Property management services	198,897	57.3	21.3	175,190	64.2	21.7
Value-added services to non-property owners	100,406	28.9	32.3	52,837	19.4	36.5
Value-added services to community	48,002	13.8	15.0	44,622	16.4	16.3
Total	347,305	100.0	22.2	272,649	100.0	22.3

For the year ended 31 December 2022, our gross profit was approximately RMB347.3 million, representing an increase of approximately 27.4% as compared with the same period in 2021 (approximately RMB272.6 million). The gross profit margin of the Group was approximately 22.2%, remaining basically stable as compared with 22.3% for the same period in 2021.

For the year ended 31 December 2022, the gross profit margin from the provision of property management services of the Group was approximately 21.3% (2021: 21.7%). The gross profit margin from the provision of value-added services to non-property owners was approximately 32.3% (2021: approximately 36.5%). The gross profit margin from the provision of value-added services to community was approximately 15.0% (2021: approximately 16.3%).

Administrative Expenses

For the year ended 31 December 2022, the total administrative expenses of the Group were approximately RMB198.0 million, representing an increase of approximately 20.8% from approximately RMB163.9 million for the year ended 31 December 2021, primarily due to the increase in specialized consulting fee for business development of the Group as compared with the same period in 2021.

Other Income

For the year ended 31 December 2022, other income of the Group was approximately RMB12.8 million, representing an increase of approximately 120.7% from approximately RMB5.8 million for the year ended 31 December 2021, primarily due to the change in foreign exchange gains.

Profit for the Year

For the year ended 31 December 2022, our profit for the year was approximately RMB115.2 million, representing an increase of approximately 37.0% from approximately RMB84.1 million in the same period of 2021. The profit for the year attributable to the equity shareholders of the Group was approximately RMB114.2 million, representing an increase of approximately 37.9% from approximately RMB82.8 million as compared with the same period of 2021; the net profit margin was approximately 7.4%, representing an increase of approximately 0.5 percentage point as compared with approximately 6.9% in 2021. 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 effective controlling of our costs and fee increases for the year.

Current Assets and Capital Structure

The Group maintained an excellent financial position and adequate liquidity for the year ended 31 December 2022. As at 31 December 2022, the current assets were approximately RMB1,880.4 million, representing an increase of approximately 20.4% as compared with approximately RMB1,561.5 million as at 31 December 2021. As at 31 December 2022, the current ratio (current assets divided by current liabilities) of the Group was approximately 1.5 (31 December 2021: approximately 1.5).

As of 31 December 2022, the Group's cash and cash equivalents amounted to approximately RMB1,140.7 million, representing an increase of approximately 4.9% as compared with approximately RMB1,087.3 million as at 31 December 2021.

As of 31 December 2022, the total equity of the Group amounted to approximately RMB782.4 million, representing an increase of approximately 11.1% or approximately RMB78.2 million as compared with approximately RMB704.2 million as at 31 December 2021, primarily due to the profit contribution achieved during the year.

As of 31 December 2022, the Group's debt-to-asset ratio was approximately 64.1%, representing an increase of approximately 2.6 percentage points as compared with 61.5% as at 31 December 2021. 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 2022, the Group's property, plant and equipment amounted to approximately RMB60.7 million, representing an increase of approximately RMB27.1 million as compared with approximately RMB33.6 million as at 31 December 2021, 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 2022, the Group's leased assets and investment properties amounted to approximately RMB107.7 million, representing an increase of approximately RMB2.5 million as compared with approximately RMB105.2 million as at 31 December 2021, primarily attributable to change of fair value of the Group's investment properties.

Prepayments, Trade and Other Receivables

As of 31 December 2022, prepayments, trade and other receivables amounted to approximately RMB726.2 million, representing an increase of approximately RMB263.7 million as compared with approximately RMB462.5 million as at 31 December 2021, 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 decreased from approximately RMB14.7 million as of 31 December 2021 to approximately RMB13.2 million as of 31 December 2022.

Trade and Other Payables

As of 31 December 2022, trade and other payables amounted to approximately RMB973.7 million, representing an increase of RMB241.6 million as compared with approximately RMB732.1 million as at 31 December 2021, mainly due to the increase of payables to suppliers as a result of the expansion of business scale.

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 2021 and 31 December 2022 were approximately RMB503.4 million and RMB527.0 million, respectively.

Capital Expenditure

Our capital expenditure increased from approximately RMB16.3 million for the year ended 31 December 2021 to approximately RMB36.0 million for the year ended 31 December 2022, which is mainly used for the purchase of office equipment, container houses and software.

Borrowing

As at 31 December 2022, the Group did not have any borrowings or bank loans.

Pledge of Assets

As at 31 December 2022, 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 2022, the Group did not have any significant investments, material acquisitions and disposals. However, the Group has the following acquisition and investment.

On 29 April 2022, the Company entered into equity transfer agreements on the acquisition of 60% equity interest in Zhuolian Property at a consideration of RMB7.8 million. The acquisition was completed during the reporting period. Zhuolian Property thus became a subsidiary of the Company and its financial results were consolidated into the consolidated financial statements of the Group. For details, please refer to the announcement of the Company dated 29 April 2022.

On 11 May 2022, the Company and Sanya Tourism Group Commercial Operation Management Co., Ltd.* (三亞旅文集團商業運營管理有限公司) entered into a promoters agreement to establish Jiaye Lvwen, a joint venture company, with a registered capital of RMB10.0 million, of which the Company contributed 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 11 May 2022.

On 9 December 2022, the Company and Beijing Huairou Science City Construction Development Co., Ltd.* (北京懷柔科學城建設發展有限公司) established Huairou Science City Property, a joint venture company, with a registered capital of RMB30.0 million, of which the Company will contribute RMB12.0 million in cash for holding 40% of the equity interest of the joint venture company.

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**”), 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 (“**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 2022, 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 2022, 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	Actual use of proceeds	Unused	Expected timeline for full utilization of the remaining proceeds
			amount as of 1 January 2022 <i>HK\$ Million</i>	during the year ended 31 December 2022 <i>HK\$ Million</i>	amount as of 31 December 2022 <i>HK\$ Million</i>	
Strategic investment and acquisition	60%	148.15	148.15	9.33	138.82	On or before 31 December 2024
Development of value-added services	25%	61.73	61.73	13.77	47.96	On or before 31 December 2024
– Expanding tenant sourcing and management services	15%	37.04	37.04	13.77	23.27	On or before 31 December 2024
– Diversifying community value-added services	10%	24.69	24.69	–	24.69	On or before 31 December 2024
Developing and upgrading our information technology infrastructure and intelligent equipment	10%	24.69	24.69	4.60	20.09	On or before 31 December 2024
– Upgrading the internal operation system	4%	9.88	9.88	4.60	5.28	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	–	7.41	On or before 31 December 2024
Working capital and for general corporate purposes	5%	12.35	12.35	12.35	–	N/A
Total	100%	246.91	246.91	40.05	206.86	

Contingent Liabilities

As at 31 December 2022, 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 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.

Events after the Reporting Period

Save as disclosed in this announcement, no significant events subsequent to 31 December 2022 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.

Employees and Remuneration Policy

As at 31 December 2022, the Group had 2,085 employees (as at 31 December 2021: 2,051 employees). For the year ended 31 December 2022, the total staff costs were approximately RMB428.2 million (as at 31 December 2021: approximately RMB427.9 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 Company has adopted the code provisions of the Corporate Governance Code (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 Company has complied with all the applicable code provisions of the Corporate Governance Code for the year ended 31 December 2022.

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 2022.

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 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 and they have confirmed that they have complied with the Model Code for the year ended 31 December 2022.

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

For the year ended 31 December 2022, 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 2022 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 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 2022, 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 2022, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 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 RMB0.2175 per share (tax inclusive) in cash for the year ended 31 December 2022 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 Friday, 12 May 2023 (the “**2022 AGM**”), and the proposed final dividend is expected to be paid on or before Friday, 16 June 2023. 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.

2022 AGM

The 2022 AGM will be held on Friday, 12 May 2023. The notice of the 2022 AGM will be published on the Company's website (www.bcjps.com) and the website of the Stock Exchange (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 2022 AGM, the register of members of the Company will be closed from Tuesday, 9 May 2023 to Friday, 12 May 2023, 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 2022 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, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Monday, 8 May 2023, for registration. Shareholders whose names appear on the register of members of the Company on Friday, 12 May 2023 are entitled to attend and vote at the 2022 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 Thursday, 18 May 2023 to Thursday, 25 May 2023, 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 8/F, Building A, Chengjian Plaza, 18 North Taipingzhuang Road, Haidian District, Beijing, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Wednesday, 17 May 2023, for registration. Shareholders whose names appear on the register of members of the Company on Thursday, 25 May 2023 are entitled to receive the above final dividend.

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 2022, 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, 15 March 2023

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.*