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**寶業集團股份有限公司**  
**BAOYE GROUP COMPANY LIMITED\***

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 2355)

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Baoye Group Company Limited\* (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 prepared in accordance with Hong Kong Financial Reporting Standards, together with comparative figures for the year ended 31 December 2023. The following financial information is extracted from the audited consolidated financial statements as set out in the Group’s 2024 Annual Report.

\* For identification purposes only

## CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	4	<b>22,338,716</b>	26,479,305
Cost of sales		<b>(20,597,034)</b>	(24,275,372)
<b>Gross profit</b>		<b>1,741,682</b>	2,203,933
Other income	5	<b>247,592</b>	260,715
Other (losses)/gains – net	6	<b>(15,226)</b>	263,023
Selling and marketing costs		<b>(160,108)</b>	(201,276)
Administrative expenses		<b>(755,619)</b>	(816,860)
Net impairment losses on financial and contract assets		<b>(97,617)</b>	(230,776)
<b>Operating profit</b>		<b>960,704</b>	1,478,759
Finance income		<b>17,949</b>	17,039
Finance costs		<b>(32,777)</b>	(12,402)
Finance (costs)/income – net		<b>(14,828)</b>	4,637
Share of results of investments accounted for using the equity method		<b>32,839</b>	92,850
<b>Profit before income tax</b>		<b>978,715</b>	1,576,246
Income tax expenses	7	<b>(477,472)</b>	(681,866)
<b>Profit for the year</b>		<b>501,243</b>	894,380
<b>Profit attributable to:</b>			
– Owners of the Company		<b>409,907</b>	889,256
– Non-controlling interests		<b>91,336</b>	5,124
		<b>501,243</b>	894,380
<b>Earnings per share for profit attributable to owners of the Company</b>			
– Basic and diluted (expressed in RMB yuan per share)	8	<b>0.79</b>	1.69

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Profit for the year</b>	<b>501,243</b>	894,380
<b>Other comprehensive (loss)/income:</b>		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<b>601</b>	461
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	<b>(3,522)</b>	290,424
<b>Total other comprehensive (loss)/income for the year, net of tax</b>	<b>(2,921)</b>	290,885
<b>Total comprehensive income for the year</b>	<b>498,322</b>	1,185,265
<b>Total comprehensive income attributable to:</b>		
– Owners of the Company	<b>406,986</b>	1,180,141
– Non-controlling interests	<b>91,336</b>	5,124
<b>Total comprehensive income for the year</b>	<b>498,322</b>	1,185,265

## CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2024	2023
		RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,041,440	3,053,270
Right-of-use assets		698,182	723,156
Investment properties		1,174,384	1,132,408
Intangible assets		380,184	388,147
Investments accounted for using the equity method	10	514,727	485,694
Trade and other receivables	11	398,116	536,520
Financial assets at fair value through other comprehensive income		721,139	725,835
Financial assets at fair value through profit or loss		13,486	11,315
Deferred income tax assets		429,805	444,811
		<u>7,371,463</u>	<u>7,501,156</u>
<b>Current assets</b>			
Inventories		419,306	329,204
Properties under development		6,903,082	8,578,138
Completed properties held for sale		6,379,748	7,421,631
Contract assets	4(b)	4,612,561	6,613,284
Trade and other receivables	11	9,360,962	7,128,853
Financial assets at fair value through profit or loss		64,672	6,000
Restricted bank deposits		1,248,932	1,174,237
Term deposits with initial term of over three months		832,376	329,301
Cash and cash equivalents		8,009,474	9,432,353
		<u>37,831,113</u>	<u>41,013,001</u>
<b>Total assets</b>		<u><b>45,202,576</b></u>	<u><b>48,514,157</b></u>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

		As at 31 December	
	Note	2024	2023
		RMB'000	RMB'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital and premium and treasury shares		889,722	890,230
Other reserves		635,849	617,063
Retained earnings		11,463,935	11,075,735
		<u>12,989,506</u>	<u>12,583,028</u>
<b>Non-controlling interests</b>		<u>558,017</u>	<u>420,901</u>
<b>Total equity</b>		<u>13,547,523</u>	<u>13,003,929</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank and other borrowings		429,432	1,001,322
Lease liabilities		9,317	11,211
Deferred income tax liabilities		266,358	315,353
		<u>705,107</u>	<u>1,327,886</u>
<b>Current liabilities</b>			
Contract liabilities	4(b)	10,394,542	13,141,914
Trade and other payables	12	16,773,049	17,762,483
Lease liabilities		1,995	2,764
Bank and other borrowings		3,279,516	2,542,721
Current income tax liabilities		500,844	732,460
		<u>30,949,946</u>	<u>34,182,342</u>
<b>Total liabilities</b>		<u>31,655,053</u>	<u>35,510,228</u>
<b>Total equity and liabilities</b>		<u>45,202,576</u>	<u>48,514,157</u>

*Notes:*

**1. GENERAL INFORMATION**

Baoye Group Company Limited (the “**Company**”) was established as a limited liability company in the People’s Republic of China (the “**PRC**”) and the H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 30 June 2003.

The registered office address of the Company is Yangxunqiao Subdistrict, Keqiao District, Shaoxing City, Zhejiang Province, the PRC.

The principal activities of the Company and its subsidiaries (collectively the “**Group**”) are the provision of construction services, sale and installation of building materials and development and sale of properties in the PRC.

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and was approved by the Board of Directors for issue on 28 March 2025.

**2. BASIS OF PREPARATION**

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (“**financial assets at FVPL**”), financial assets at fair value through other comprehensive income (“**financial assets at FVOCI**”) and investment properties, which are carried at fair value.

**3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

**(a) New and amended standards adopted by the Group**

The group has applied the following new and amended standards for its annual reporting period commencing 1 January 2024:

HKFRS 17	Insurance contract
Amendments to HKAS 1	Classification of liabilities as current or non-current
Amendments to HKAS 1	Non-current liabilities with covenants
HK Interpretation 5 (2020)	Classification by the borrower of a term loan that contains a repayment on demand clause
Amendments to HKFRS 16	Lease liability in sales and lease back
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements

The adoption of these amendments or annual improvements did not result in any significant impact on the results and financial position of the Group.

**(b) New and amended standards and interpretations not yet adopted**

Certain amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group, so summarised below:

		<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027

The Group is commencing an assessment of the impact of these new or amended standards and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no material impact on the financial performance and position of the Group in the current or future reporting period and on foreseeable future transactions is expected when they become effective.

#### 4. SEGMENT INFORMATION

The segment information was as follows:

	Year ended 31 December 2024				
	Construction RMB'000	Property development RMB'000	Building materials RMB'000	Others RMB'000	Group RMB'000
Segment revenue	15,536,750	5,269,450	4,005,388	781,862	25,593,450
Less: inter-segment revenue	(1,401,744)	–	(1,462,926)	(390,064)	(3,254,734)
<b>Revenue (from external customers)</b>	<b>14,135,006</b>	<b>5,269,450</b>	<b>2,542,462</b>	<b>391,798</b>	<b>22,338,716</b>
<b>Operating profit/(loss)</b>	<b>524,089</b>	<b>435,792</b>	<b>(27,321)</b>	<b>28,144</b>	<b>960,704</b>
Depreciation	63,931	9,432	139,786	46,510	259,659
Net impairment losses on financial assets and contract assets	89,914	9,761	(7,056)	4,998	97,617
Impairment losses on construction stone mining right	–	–	38,432	–	38,432
	Year ended 31 December 2023				
	Construction RMB'000	Property development RMB'000	Building materials RMB'000	Others RMB'000	Group RMB'000
Segment revenue	17,376,840	7,285,893	4,122,760	742,452	29,527,945
Less: inter-segment revenue	(1,361,981)	–	(1,283,412)	(403,247)	(3,048,640)
<b>Revenue (from external customers)</b>	<b>16,014,859</b>	<b>7,285,893</b>	<b>2,839,348</b>	<b>339,205</b>	<b>26,479,305</b>
<b>Operating profit</b>	<b>614,466</b>	<b>854,798</b>	<b>7,212</b>	<b>2,283</b>	<b>1,478,759</b>
Depreciation	61,527	51,073	138,495	63,354	314,449
Net impairment losses on financial assets and contract assets	184,124	11,185	35,023	444	230,776

The reconciliation of the operating profit to profit before income tax is shown in the consolidated income statement.

The Company was domiciled in the PRC. The Group's business activities were mainly carried out in the PRC. The Group's non-current assets other than financial instruments and deferred tax assets located mainly in the PRC.

(a) **Analysis of revenue by category**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers:		
Revenue from provision of construction services:		
– Recognised over time	14,135,006	16,014,859
Revenue from sale of properties:		
– Recognised at a point in time	5,269,450	7,285,893
Revenue from sale of building materials:		
– Recognised at a point in time	965,871	1,461,474
– Recognised over time	1,576,591	1,377,874
	<u>2,542,462</u>	<u>2,839,348</u>
Revenue from others:		
– Recognised at a point in time	226,325	174,667
– Recognised over time	26,069	28,222
	<u>252,394</u>	<u>202,889</u>
Revenue from other sources:		
– Rental income	139,404	136,316
	<u>22,338,716</u>	<u>26,479,305</u>

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

(b) **Assets and liabilities related to contracts with customers**

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

Details of contract assets are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Relating to construction services	4,316,227	6,356,749
Relating to installation of building materials	488,084	471,886
	<u>4,804,311</u>	<u>6,828,635</u>
Less: provision for loss allowance	(191,750)	(215,351)
Total contract assets	<u>4,612,561</u>	<u>6,613,284</u>

Contract assets consist of unbilled amounts resulting from rendering of construction services and installation of building materials when the revenue recognised exceeds the amount billed to the customer.

Details of contract liabilities are as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Related to construction services	<b>3,304,131</b>	3,859,125
Related to sale of properties	<b>6,325,630</b>	8,844,200
Related to sale of building materials	<b>764,781</b>	438,589
	<hr/>	<hr/>
Total contract liabilities	<b><u>10,394,542</u></b>	<u>13,141,914</u>

Contract liabilities of the Group mainly arose from the advance payments made by customers while the underlying properties, goods or services are yet to be delivered or provided.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year		
– Provision of construction services	<b>1,329,243</b>	1,997,179
– Sale of properties	<b>4,133,178</b>	6,118,962
– Sale of building materials	<b>430,854</b>	368,764
	<hr/>	<hr/>
	<b><u>5,893,275</u></b>	<u>8,484,905</u>

Unsatisfied contracts are:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Expected to be recognised within one year	<b>17,779,171</b>	18,873,833
Expected to be recognised after one year	<b>50,244,816</b>	49,475,766
	<hr/>	<hr/>
Total transaction price allocated to the unsatisfied contracts as of 31 December	<b><u>68,023,987</u></b>	<u>68,349,599</u>

## 5. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income on		
– Financial assets held as investments	200,658	193,734
– Advances to project managers and joint ventures	46,934	66,981
	<u>247,592</u>	<u>260,715</u>

## 6. OTHER (LOSSES)/GAINS – NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Demolition compensation (a)	9,919	375,656
Government grants and compensation	57,548	39,520
Gains on disposal of financial assets at FVPL	74	1,221
Fair value losses from investment properties	(43,083)	(153,792)
Impairment loss on construction stone mining right	(38,432)	–
Fair value gains/(losses) of financial assets at FVPL	1,893	(2,184)
(Losses)/gains on disposal of property, plant and equipment	(5,313)	8,825
Donations	(11,594)	(5,281)
Net foreign exchange (losses)/gains	(4,323)	3,015
Others	18,085	(3,957)
	<u>(15,226)</u>	<u>263,023</u>

- (a) For the year ended 31 December 2024, the Group recognised compensation income mainly for land, housing, storage and demolition of RMB9,919,000 (2023: RMB375,656,000).

## 7. INCOME TAX EXPENSES

The amount of income tax expenses charged to the consolidated income statement comprised of:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax		
– PRC CIT	303,366	436,067
– Land appreciation tax	230,783	340,883
	<u>534,149</u>	<u>776,950</u>
Deferred income tax		
– PRC CIT	(56,677)	(95,084)
	<u>477,472</u>	<u>681,866</u>

### (a) Hong Kong profits tax

No provision for Hong Kong profits tax was made as the Group had no assessable profit for the year (2023: nil).

### (b) PRC corporate income tax

PRC Corporate Income Tax (“CIT”) is provided on the assessable income of the Group’s entities incorporated in the PRC, calculated in accordance with the relevant regulations of the PRC.

Certain subsidiaries of the Group in the PRC have been approved as High and New Technology Enterprise and were entitled to a preferential CIT rate of 15% during their respective approved periods according to the applicable CIT law.

Save as aforesaid, the Company and other major subsidiaries were subject to CIT at a rate of 25% (2023: 25%).

### (c) PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

## 8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding treasury shares

	2024	2023
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<u>409,907</u>	<u>889,256</u>
Weighted average number of ordinary shares in issue during the year ( <i>thousands shares</i> )	<u>520,663</u>	<u>526,108</u>
Basic earnings per share ( <i>RMB yuan</i> )	<u>0.79</u>	<u>1.69</u>

The Company had no dilutive potential shares in issue, thus the diluted earnings per share equalled the basic earnings per share.

## 9. DIVIDENDS

The board of directors recommend the payment of a final dividend of RMB0.12 (2023: nil) per ordinary share. Such dividend is subject to the approval by the shareholders of the Company at the Annual General Meeting scheduled to be held on 13 June 2025. These financial statements do not reflect this dividend payable.

## 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Investments in joint ventures (a)	481,671	445,027
Investments in associates (b)	<u>33,056</u>	<u>40,667</u>
	<u>514,727</u>	<u>485,694</u>

### (a) Investments in joint ventures

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>At 1 January</b>	445,027	344,821
Additions	29,900	15,909
Adjustment for transactions between the Group and joint ventures	512	–
Dividends	(29,330)	(9,800)
Share of results	<u>35,562</u>	<u>94,097</u>
<b>At 31 December</b>	<u>481,671</u>	<u>445,027</u>
Represented by share of net assets	<u>481,671</u>	<u>445,027</u>

(b) **Investments in associates**

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>At 1 January</b>	<b>40,667</b>	57,914
Additions	<b>840</b>	–
Disposal	<b>(5,728)</b>	(16,000)
Share of results	<b>(2,723)</b>	(1,247)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>33,056</b>	40,667
	<hr/>	<hr/>
Represented by share of net assets	<b>33,056</b>	40,667
	<hr/>	<hr/>

As at 31 December 2024, there were no contingent liabilities relating to the Group's interests in the joint ventures and associates.

The directors of the Company considered that none of the joint ventures and associates is significant to the Group and thus the individual financial information of the joint ventures and associates is not disclosed.

**11. TRADE AND OTHER RECEIVABLES**

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Non-current assets</b>		
Loans to joint ventures (a)	<b>398,116</b>	398,927
Loans to associates (b)	–	137,593
	<hr/>	<hr/>
	<b>398,116</b>	536,520
	<hr/>	<hr/>
<b>Current assets</b>		
Trade receivables (c)	<b>6,148,448</b>	4,930,759
Other receivables and prepayments (d)	<b>3,027,276</b>	2,122,751
Loans to joint ventures (a)	<b>47,936</b>	75,343
Loans to associates (b)	<b>137,302</b>	–
	<hr/>	<hr/>
	<b>9,360,962</b>	7,128,853
	<hr/>	<hr/>

(a) **Loans to joint ventures**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>At 1 January</b>	<b>483,785</b>	504,865
Additions	2,322	16,602
Interest accrued	1,966	1,873
Repayments	<u>(28,450)</u>	<u>(39,555)</u>
	<b>459,623</b>	483,785
Less: provision for loss allowance	<u>(13,571)</u>	<u>(9,515)</u>
<b>At 31 December</b>	<b>446,052</b>	474,270
Less: current portion	<u>(47,936)</u>	<u>(75,343)</u>
Non-current portion	<u><b>398,116</b></u>	<u>398,927</u>

RMB50,441,000 (2023: RMB50,125,000) of loans to joint ventures are interest-bearing at interest rates range from 4% per annum to 5.25% per annum (2023: 4% per annum to 5.25% per annum) and for loan period from 7 years to 11.83 years. The remaining amounts of the loans are interest-free and repayable on demand. All loans to joint ventures were unsecured.

(b) **Loans to associates**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>At 1 January</b>	<b>140,213</b>	142,678
Repayments	<u>(340)</u>	<u>(2,465)</u>
	<b>139,873</b>	140,213
Less: provision for loss allowance	<u>(2,571)</u>	<u>(2,620)</u>
<b>At 31 December</b>	<b>137,302</b>	137,593
Less: current portion	<u>(137,302)</u>	<u>–</u>
Non-current portion	<u>–</u>	<u>137,593</u>

Loans to associates are interest-free and unsecured.

(c) **Trade receivables**

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade receivables	<b>6,897,890</b>	5,560,800
Less: provision for loss allowance	<b>(749,442)</b>	(630,041)
	<b><u>6,148,448</u></b>	<u>4,930,759</u>

Customers are generally granted credit terms of 1 to 3 months for construction business, 1 to 12 months for building materials business and no credit terms for property development business (except for instalment arrangement).

The ageing analysis of the trade receivables based on invoice date was as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>2,689,176</b>	1,714,935
3 months to 1 year	<b>2,342,252</b>	1,817,330
1 to 2 years	<b>789,157</b>	916,598
2 to 3 years	<b>542,006</b>	724,951
Over 3 years	<b>535,299</b>	386,986
	<b><u>6,897,890</u></b>	<u>5,560,800</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2024, a provision of RMB749,442,000 (2023: RMB630,041,000) was made against the gross amount of trade receivables.

There was no concentration of credit risk with respect to trade receivables, as the Group had a large number of customers.

The gross amounts of the Group's trade receivables were denominated in the following currencies:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Denominated in:		
– RMB	<b>6,759,267</b>	5,457,349
– Other currencies	<b>138,623</b>	103,451
	<b><u>6,897,890</u></b>	<u>5,560,800</u>

As at 31 December 2024, the carrying value of trade receivables approximated their fair value.

(d) **Other receivables and prepayments**

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Other receivables:		
– Retention money and project deposits	<b>754,007</b>	580,330
– Advances to project managers	<b>110,421</b>	127,828
– Government compensation	<b>377,256</b>	378,256
– Others	<b>225,932</b>	276,523
	<b>1,467,616</b>	1,362,937
Less: provision for loss allowance	<b>(16,231)</b>	(18,421)
	<b>1,451,385</b>	1,344,516
Prepayments:		
– Prepayments for land use rights for property development	<b>729,305</b>	378,050
– Prepayments to suppliers	<b>413,173</b>	75,315
– Prepaid income taxes	<b>320,514</b>	299,144
– Others	<b>112,899</b>	25,726
	<b>1,575,891</b>	778,235
Other receivables and prepayments	<b>3,027,276</b>	2,122,751

Advances to project managers are unsecured and interest-bearing at market lending rates.

As at 31 December 2024, the carrying value of other receivables approximated their fair value.

As at 31 December 2024, the carrying amounts of other receivables and prepayments were mainly denominated in RMB.

## 12. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables (a)	11,173,249	10,761,627
Other payables (b)	5,599,800	7,000,856
	<u>16,773,049</u>	<u>17,762,483</u>

### (a) Trade payables

As at 31 December 2024, the ageing analysis of the trade payables based on invoice date was as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	4,828,004	4,418,814
3 months to 1 year	3,996,898	3,733,685
1 to 2 years	1,164,515	1,360,660
2 to 3 years	824,169	851,171
Over 3 years	359,663	397,297
	<u>11,173,249</u>	<u>10,761,627</u>

The carrying amounts are considered to be the same as their fair values, due to their short-term nature.

### (b) Other payables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Deposits from project managers	3,176,946	3,944,352
Amounts due to non-controlling interests (i)	573,952	486,597
Prepayments from government for housing demolition and relocation (ii)	450,591	451,092
Deposits from property purchasers	240,088	246,880
Other taxes payables	143,669	454,638
Salaries payables	57,810	105,062
Others	956,744	1,312,235
	<u>5,599,800</u>	<u>7,000,856</u>

(i) Amounts due to non-controlling interests were unsecured, interest free and repayable on demand.

(ii) Amount represents the prepayments received from the government for housing demolition and relocation projects.

The carrying amounts are considered to be the same as their fair values, due to their short-term nature.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on 13 June 2025 (the “**AGM**”). The notice of the AGM will be published and dispatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 13 May 2025 to 13 June 2025 both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Shares registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares), or to the Company’s office address at No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of unlisted shares) no later than 4:30 p.m. on 12 May 2025. The register of members of the Company will be closed from 20 June 2025 to 24 June 2025, both dates inclusive, during which period no share transfers will be effected. In order to qualify for the proposed final dividend (subject to shareholder’s approval at the AGM), all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Shares registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong (for holders of H Shares) or to the Company’s office address of No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Unlisted Shares) no later than 4:30 p.m. on 19 June 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results Review

For the year ended 31 December 2024, the Group achieved a consolidated revenue of approximately RMB22,338,716,000 (2023: RMB26,479,305,000), representing a decrease of approximately 15.6% compared to the previous year; operating profit reached approximately RMB960,704,000 (2023: RMB1,478,759,000), representing a decrease of approximately 35.0% compared to the previous year; profit attributable to owners of the Company amounted to approximately RMB409,907,000 (2023: RMB889,256,000), representing a substantial decrease of approximately 53.9% compared to the previous year, earnings per share was RMB0.79 (2023: RMB1.69), representing a substantial decrease of approximately 53.3% compared to the previous year. During the year ended 31 December 2023, the Group received a one-time compensation income of approximately RMB337,000,000 (“**one-time compensation income**”) from the local government for the land, housing, storage and demolition of a wholly-owned subsidiary of the Company in Wuhan City, Hubei Province for the public rail transportation construction. Excluding this one-time compensation income contribution, the operating profit of the Company and profit attributable to owners of the Company for this period decreased by approximately 15.9% and 35.6% respectively compared to last year, mainly due to the decline in revenue recognized and the lower gross profit margin of the properties recognized from the property development in 2024. For more details in relation to the one-time compensation income, please refer to the positive profit alert announcement dated 18 August 2023 issued by the Company. The enemy of an enterprise is the external environment, but its greatest enemy is itself. Baoye has been adhering to the business principle that enterprises must uphold long-termism to navigate through downward economic cycle. At present, the construction industry is undergoing deep adjustments, coupled with an increasingly severe market environment. As Baoye stands at a critical stage of transformation and upgrading, how to survive healthily has become our top priority. Dividend distribution is not a simple yes-or-no decision, but requires comprehensive consideration of the Company’s actual conditions and the prevailing economic climate. Meanwhile, we must rigorously implement performance-based contractual assessments to align operators’ accountability with incentive mechanism. On this basis, the Board recommended the payment of a final dividend of RMB0.12 per share as at 31 December 2024.

In 2024, competition among major countries was getting tougher. Regions conflicts were continuing. Hindered by weak domestic consumption, China’s economic growth slowed to 5.0%, which was in line with the government’s target for the year. The domestic benchmark interest rate was lowered three times during the year, and the government expected to stimulate economic activity through loose monetary policies. The real estate industry remained weak throughout the year, with both investment in real estate and new home sales declining significantly across the country, while the new home sales market picked up in the fourth quarter. The era of rapid development in the real estate industry has passed, and replenishing the stock and providing better housing will be the trend of the industry in the future.

## Revenue

	For the year ended 31 December				Change
	2024		2023		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Construction	<b>14,135,006</b>	<b>63%</b>	16,014,859	60%	-12%
Property Development	<b>5,269,450</b>	<b>24%</b>	7,285,893	28%	-28%
Building Materials	<b>2,542,462</b>	<b>11%</b>	2,839,348	11%	-10%
Others	<b>391,798</b>	<b>2%</b>	339,205	1%	16%
Total	<b><u>22,338,716</u></b>	<b><u>100%</u></b>	<b><u>26,479,305</u></b>	<b><u>100%</u></b>	<b><u>-16%</u></b>

## Operating profit

	For the year ended 31 December				Change
	2024		2023		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Construction	<b>524,089</b>	<b>55%</b>	614,466	42%	-15%
Property Development	<b>435,792</b>	<b>45%</b>	854,798	58%	-49%
Building Materials	<b>(27,321)</b>	<b>-3%</b>	7,212	0%	-479%
Others	<b>28,144</b>	<b>3%</b>	2,283	0%	1133%
Total	<b><u>960,704</u></b>	<b><u>100%</u></b>	<b><u>1,478,759</u></b>	<b><u>100%</u></b>	<b><u>-35%</u></b>

## Operating Profit Margin

	For the year ended 31 December			Change
	2024	2023		
Construction	<b>3.7%</b>	3.8%	-3%	
Property Development	<b>8.3%</b>	11.7%	-30%	
Building Materials	<b>-1.1%</b>	0.3%	-523%	
Others	<b>7.2%</b>	0.7%	967%	

## Construction Business

For the year ended 31 December 2024, the Group's construction business achieved revenue of approximately RMB14,135,006,000, representing a decrease of approximately 12% from last year; operating profit amounted to approximately RMB524,089,000, a decrease of approximately 15% compared to last year, mainly due to the one-time compensation income for the land, housing, storage and demolition in 2023.

The Group acquired new construction business orders of approximately RMB10.92 billion in 2024 (2023: RMB16.64 billion), a substantial decrease of approximately 34.4%. The Group evaluates the risks carefully before bidding for projects to ensure capital safety. In 2024, the high-end projects acquired by the Group are as follows: The Second Affiliated Hospital Zhejiang University School of Medicine (Jiaxing Branch), Zhejiang Xingke Advanced Optoelectronic Display Industry Project, Light Textile Intelligent Valley Digital Industrial Park Construction Project, Shanghai Poly C&D·Yinxiang Qingcheng, Shaoxing University Expansion Project, Baiyun Hotel in Ninghe District, Tianjin City, Shaoxing Urban Construction Archives Management Service Centre, Shangyu Water Service Centre, Heating Pipeline Network Upgrading Project in Jiangbin District, etc.

The Group focuses on brand building. During the year, it had always ranked among the best in Zhejiang's construction industry in terms of awards, which helped to enhance the Group's reputation. In 2024, the Group received a total of 42 awards. The key award-winning projects are set out as follows:

<b>Project Name</b>	<b>Award</b>
Baoye Daban Green Garden	Gold Award of Zhan Tianyou Excellent Residential Community
Shaoxing International Convention & Exhibition Centre Plot C1 Project	Lanhua Cup
Autobio In Vitro Diagnostic Industrial Park Project	Shangding Cup
Zhongyue Building, Qujiang District	Qujiang Cup
Nanshan Yuefu Buildings No.1 & 3	Gold Award of Huanghe Cup
Nanshan · Zongheng Riverside Times Buildings No.12 & 13	Silver Award of Huanghe Cup
Furong Medical Centre and Supporting Facilities Project	Huangshan Cup
Power Dispatch and Emergency Command Centre Project of Mengcheng County Power Supply Company	Huangshan Cup
Guofeng Primary and Junior High Schools Project	Hupo Cup
Baoye Sizhou Green Garden Building No. A4	Jinji Cup

## Property Development Business

### *Property Sales*

For the year ended 31 December 2024, revenue of the Group's property development business amounted to approximately RMB5,269,450,000, representing a decrease of approximately 28% from last year. Operating profit amounted to approximately RMB435,792,000, a notable decrease of approximately 49% compared to last year. The decrease in revenue and operating profit from the property development business was mainly due to less revenue and lower profit margin from projects recognised during the year compared to previous year.

For the year ended 31 December 2024, revenue from property sales was mainly derived from the following projects, details of which are set out below:

<b>Project</b>	<b>Location</b>	<b>Average Selling Price (RMB/Sqm)</b>	<b>Floor Areas Sold (Sqm)</b>	<b>Revenue (RMB'000)</b>
Yunxili	Shaoxing	13,344	91,940	1,226,831
Daban Green Garden	Shaoxing	26,744	42,909	1,147,566
Active Paradise	Shanghai	25,074	22,850	575,939
Baoye Four Seasons Garden	Shaoxing	17,727	30,393	538,774
Fengyue Shangzhu	Hangzhou	16,757	16,178	271,092

For the year ended 31 December 2024, the sales contracts of the Group's property development business amounted to approximately RMB2.87 billion (2023: RMB3.12 billion) with a contract sale area of approximately 295,614 square metres, excluding the property sales registered under joint ventures, as they will be progressively completed, delivered and recognised as revenue in the next two to three years.

### *Projects under development*

As at 31 December 2024, the Group's main projects under development are set out below:

<b>Project Name</b>	<b>Location</b>	<b>Total GFA Under Development (sqm)</b>	<b>Equity Interest of the Group</b>
Baoye Four Seasons Garden	Shaoxing	191,105	100%
Baoye Green Life	Shaoxing	35,656	100%
Chunying Tangqianyuan	Shaoxing	78,551	70%
Xialv Project	Shaoxing	Under Planning	60%
Puyuan	Wuhan	165,144	100%
Qinyuan	Yichang	196,596	100%
Binhe Green Garden	Mengcheng	Under Planning	100%
Baoye Longhu Yucheng	Kaifeng	300,598	60%
Baoye Junyue Green Garden	Lu'an	216,407	100%
Zhengzhou Project	Zhengzhou	Under Planning	51%
Sizhou Green Garden	Sixian	23,012	100%
Xuefu Green Garden	Sixian	Under Planning	100%
Qinglan Green Garden	Bozhou	357,436	51%
Guangwu Yuxiuyuan	Jieshou	Under Planning	100%

Baoye Four Seasons Garden is located in Kuaijishan Tourist Resort Zone, a “province-rank” resort district in Zhejiang Province. With historical culture and spectacular scenery, the area is where ancient civilization flourished. As the origin of many myths and folklores, this area has not only profound cultural tradition but also a large number of historical heritages. Being only 5 kilometres from the downtown of Shaoxing City, it is known as the “natural treasure in the heart of a city”. Baoye Four Seasons Garden has a site area of approximately 1,050,000 square metres and a planned gross floor area of approximately 650,000 square metres for the development of deluxe villas, semi-detached villas and town houses, all fully equipped with supporting facilities, such as a golf club, a five-star resort hotel, two leisure parks, a sport park, a shopping arcade, a kindergarten and a central lakeside garden. There are a few units of houses remaining for sale under Phase I. A few units under Phase II have been delivered while the remaining units are either under development or for sale.

Baoye Green Life Project, located in the main urban area of Keqiao District, Shaoxing City, Zhejiang Province, was acquired by a wholly-owned subsidiary of the Company in July 2024 at a total consideration of RMB291,876,600 through public bidding. The project has a total site area of approximately 14,094 square metres and a total gross floor area of approximately 35,655.62 square metres. It consists of 6 high-rise residential buildings of 16-17 storeys and is close to primary, junior high, high schools and the Banhu Park. The project is scheduled to be launched to the market for presale in March 2025 and to be delivered in 2027.

Chunying Tangqianyuan, located in Yuecheng District, Shaoxing City, Zhejiang Province, covers a total site area of approximately 42,966 square metres and a total gross floor area of approximately 78,551 square metres. In July 2024, the Group acquired this land use right at a total consideration of RMB416,000,000 through public bidding, of which the Group holds a 70% interest. With a plot ratio of 1.2 times, the project consists of 12 residential buildings of 8-10 storeys and has well-established supporting facilities and beautiful natural scenery. The project is close to Tashan and Fushan parks and surrounded by commercial landmarks like Intime Department Store and Shaoxing Place, as well as culture, tourism and education resources like Lu Xun Native Place and Shaoxing University. It is committed to creating a residential compound of high-quality, low-density garden that combines urban prosperity with poetic flavour of nature. The project is currently under planning.

Xialv Project consists of three separate parcels of land with a total cost of RMB511,036,354 and a total site area of 262,862 square meters, of which the Group holds a 60% interest. The Group acquired the land use rights through public judicial auction in 2017. One of the three parcels of land, Baoye Yunxili has been completed with some remaining units for sale. The other two parcels of land are pending to be developed.

Baoye Puyuan, located at the center area of Guanggu Center, Donghu High-Tech Development District, Wuhan City, Hubei Province, has a total site area of approximately 45,582 square meters and a total gross floor area of approximately 165,144 square meters. A subsidiary of the Company acquired this piece of land in December 2022 at a total consideration of RMB1,199,900,000 through public bidding. The project is surrounded by convenient facilities and is close to the schools and parks. The project is close to prosperity but far away from the noise. The project consists of 9 residential buildings, of which 7 have started presale with sound results.

Baoye Qinyuan, located in center area of Wujiagang District, Yichang City, acquired by a subsidiary of the Company in December 2023 at a total consideration of RMB455,100,000 through public bidding, has a total land area of approximately 73,405 square meters and a total gross floor area of approximately 196,596 square meters. The project will be constructed with a rare plot ratio of 2.0 times in the center of Yichang City. The project is surrounded by schools and is close to Binjiang Park, 1st May Square and White Horse Park. The project is developed in two phases. The first phase has started presale since November 2023 and has almost been sold out, and the second phase have commenced construction at the end of 2024.

Mengcheng Binhe Green Garden, located in Mengcheng City, Anhui Province, has a site area of approximately 76,503 square meters and a plot ratio of 2.0 times. A wholly-owned subsidiary of the Company acquired this parcel of land use rights in May 2022 at a total consideration of RMB240,990,000. The project is currently under construction and presale.

Baoye Longhu Yucheng is located in a prime area of Eastern New City, Xiangfu District, Kaifeng City, Henan Province. It has a total site area of approximately 648,000 square metres and an estimated gross floor area of approximately 972,000 square metres. After completion, it will become the city's new business centre and leisure centre. The project will be developed in five phases. The first and the second phase has commenced delivery to owners, and only few units remain for sale. The third phase is currently under pre-sale.

Baoye Junyue Green Garden is located in Lu'an City, Anhui Province. The project was acquired by the Group through a judicial auction in September 2017. This part has a total site area of approximately 54,220 square meters, and a gross floor area of approximately 129,665 square meters which were delivered at the end of 2020. The commercial segment with a site area of approximately 7,220 square meters is under development. The surrounding transportation of the project is convenient, the supporting facilities are well-developed, and there are parks, banks, shopping malls and other commercial facilities. In February 2019, the project company obtained another land use right with a total site area of approximately 111,947 square meters on the west side of the project, which consists of 21 high-rises and will be developed in two phases. At present, only 2 residential buildings under Phase II are still under construction, and other residential units sold so far have all been delivered.

Zhengzhou Project, located in Jianshan Tourist Resort Zone, Xinmi City, Zhengzhou City, with convenient transportation, spectacular scenery and historical culture, has a site area of approximately 336,776 square meters. The Group acquired this land use right in November 2018 at a total consideration of RMB184,662,013. The project is under planning.

Sizhou Green Garden is located in the Economic Development Zone of Sixian County, Suzhou City, Anhui Province. In May 2019, the Group acquired the land parcel A and B with a total site area of approximately 46,888 square meters and a gross floor area of approximately 124,907 square meters at a total consideration of RMB113,500,000 through public auction. In April 2020, the Group acquired the land parcel C with a total site area of approximately 42,007 square meters at a total consideration of RMB107,120,000 through public auction. This project enjoys well-developed facilities, convenient transportation and education resources. The land parcels A, B and a small portion of C have been delivered, while the remaining portion of land parcel C is still under construction and presale.

Sixian Xuefu Green Garden, located in Sixian Economic Development District, Suzhou City, Anhui Province, has a site area of approximately 111,955 square meters. The Group obtained this land use right in June 2021 through public auction at a total consideration of RMB300,000,000. The project is currently under planning.

Qinglan Green Garden, located in Lixin County, Bozhou City, Anhui Province, has a site area of approximately 171,109 square meters with a plot ratio of 1.8. A subsidiary of the Company obtained this land use right in September 2021 at a total consideration of RMB565,000,000. The Company holds 51% interest in the project. Some Units of Phase I the south part of this project has been delivered. The project is currently under pre-sale.

Guangwu Yuxiuyuan Project, located in Jieshou City, Fuyang City, Anhui Province, has a site area of approximately 78,157 square metres and a gross floor area of approximately 132,868 square metres. The Group acquired this land use right in September 2024 at a total consideration of RMB92,867,394. Upon completion, the project will be repurchased by Jieshou government through a platform company. The project is now in its preliminary design stage and will be delivered in 2026.

## New Land Reserve

During the year of 2024, the newly acquired land reserve is tabulated below:

Time	Location	Cost (RMB'000)	Land area (sqm)	Equity
July, 2024	Shaoxing City, Zhejiang Province	416,000	42,966	70%
July, 2024	Shaoxing City, Zhejiang Province	291,877	14,094	100%
September, 2024	Jieshou City, Fuyang City, Anhui Province	92,867	78,157	100%

With regard to the new land reserve, the Group will continue to adopt a prudent but proactive attitude and adhere to the philosophy of prudent operation and innovative operating methods. In the future, the Group will extensively evaluate comprehensive factors such as the overall debt level of local governments, population inflow and outflow, and manufacturing development in the region in our land acquisition strategy, with a particular focus on the prosperous center cities in Shanghai City, Zhejiang and Hubei Provinces where the Group's business is mainly conducted.

## Building Materials Business

For the year ended 31 December 2024, revenue of the Group's building materials business amounted to approximately RMB2,542,462,000, representing a decrease of approximately 10% compared to last year; operating loss was approximately RMB27,321,000, a significant decrease of approximately 479% compared to the operating profit of approximately RMB7,212,000 last year. The operating loss was mainly due to the estimated impairment losses on construction stone mining right of approximately RMB38,432,000, and influenced by the shrinkage of market, the reduction in PC assembly plates orders, and the decrease in the selling price.

For the year ended 31 December 2024, revenue from the Group's building materials is analysed below:

	For the year ended 31 December				Change
	2024		2023		
	RMB'000	% of total	RMB'000	% of total	
Curtain Wall	1,722,913	68%	1,695,957	60%	2%
Ready-mixed Concrete	130,214	5%	172,283	6%	-24%
Furnishings and Interior Decorations	165,510	7%	131,643	5%	26%
Wooden Products and Fireproof Materials	63,366	2%	109,898	4%	-42%
PC assembly plate	327,156	13%	547,959	19%	-40%
Steel Structure	27,223	1%	23,541	1%	16%
Others	106,080	4%	158,067	5%	-33%
<b>Total</b>	<b>2,542,460</b>	<b>100%</b>	<b>2,839,348</b>	<b>100%</b>	<b>-10%</b>

## **Construction stone mining rights**

Yichang Baoye Mining Company Limited, a wholly-owned subsidiary of the Company, owns a construction stone mining right located in Yichang City, Hubei Province. In 2022, it acquired the mining right located in Yichang City, Hubei Province at a total consideration of RMB371,613,000 for a term of 23 years with a mine area of approximately 0.3323 square kilometres. According to the Geological Survey Report of Caijiawan Limestone for Construction of Yichang Baoye Mining Company Limited and the review filing reply letter and the review opinion, the mining right area of Caijiawan Limestone for Construction Stone of Yichang Baoye Mining Company Limited identified a retained ore resource of 52.848 million tons of limestone for construction. In 2024, the Company increased investment of approximately RMB30,470,000 to the construction stone mining rights. As at 31 December 2024, the construction of the processing factories and production lines has been completed. Since February 2025, the production lines had been tested with raw materials successfully. As the local selling prices of the similar products has decreased slightly, the Company recorded an estimated impairment loss of approximately RMB38,432,000 for this intangible asset in accordance with prudent principals. The construction stone mining has commenced production.

## **BUSINESS PROSPECT**

### **Construction Business**

We look forward to the industry's springtime recovery, yet the construction firms, particularly private ones, have endured a prolonged winter of struggle. As China's urbanisation rate is approaching 70% with mounting local debt pressures, higher labour costs and a sharp market contraction, centrally-administered state-owned construction enterprises continue to gain more market shares, while more small and medium enterprises are being phased out, leading to a notable rise in industry concentration, and many private firms may even fail to survive until the spring of industry revival. In this context, we expect that two favorable conditions are prerequisites to the industry's full recovery: (i) the substantial improvement of the capital chain, and (ii) the transformation from old growth drivers into new drivers. As for the capital chain, the central government's policy coordination efforts on debt resolution have started to pay off, and the hidden debt risks of local government have gradually been defused, coupled with the implementation of policies to assist property developers, all of which have secured funding for construction sector to recover in all respects. On the other hand, with the application and promotion of a series of technologies such as green building and intelligent construction, China's construction sector will achieve the transition from "scale expansion" to "intelligent manufacturing" in spite of temporary pains, just as Japan's construction industry reinvented itself through prefabrication technology and refined service following the collapse of the bubble economy.

## **Property Development Business**

This year's Government Work Report noted that "To meet people's demand for high-quality housing, we will improve the standards and regulations on building quality homes that are safe, comfortable, eco-friendly, and smart". It is the first time that the phrase "quality homes" has featured in the Government Work Report unveiled during China's 2025 "Two Sessions". As the Minister of Housing and Urban-Rural Development mentioned, "the real estate market is now experiencing significant changes in its supply and demand dynamics that people's housing demand has begun to shift from aspiring to have a home to pursuing a quality home to live in, and since the construction of "quality homes" has a bearing on people's ever-improving sense of gain and happiness, housing development should cater for people's aspirations for high-quality houses". As early as 2020, Shaoxing Xinqiao Fengqing project developed by the Group became the first "China One-hundred-year Housing Construction Demonstration Project" in Zhejiang Province, and was then honored as the "Gold Award of Zhan Tianyou Excellent Residential Community" and "Guangsha Award". In 2023, Keqiao Daban Green Garden and Lishui Xishan Yueyuan both developed by the Group secured the recognition of "One-hundred-year Housing" pilot projects according to expert review, and were awarded "Green Residential Compound" and "3A Housing Performance Certification". Over the years, the Group has committed to leveraging its "full-industrial-chain" advantage, improving housing quality with technology and craftsmanship, and applying Baoye's one-hundred-year housing to more projects. In the future, the Group will continue to provide "quality homes" for the market and customers through its system from land auction, design, production, construction to well-decorated delivery and the integration of 80,000 building parts and components.

## **Housing Industrialization Business**

Although construction and real estate are typical of traditional industries, they can be developed into new quality productive forces through upgrading and transformation. In essence, the current dilemma facing the development of construction and real estate sectors stems from the gap between the traditional growth model and people's growing expectation for a better life in the new era. There is no doubt that intelligent, green and industrialised building methods will emerge as an irreversible trend of construction industry. Only through lifecycle-oriented planning and design, selection of green building materials, industrialised production and construction, living and maintenance, renovation and demolition, coupled with the improvement of regulatory systems, standards and technologies at all stages, could we build "quality homes" that are green, low-carbon, high-quality and livable. The Group's advantage of construction industrialisation business lies in its industry system under which, internally, we can tap into our full-industrial-chain strength, and externally, we can draw together advanced systems, technologies, and building material parts and components of construction industrialisation from Japan, Germany and other countries. After years of research and development as well as application and promotion by launching projects, Baoye has been able to provide the market with well-developed products of one-hundred-year housing series.

## **FINANCIAL REVIEW**

### **Financial Policies**

The Group has adopted prudent financial policies and exercised tight risk management control over its investment, financing and cash as well as maintaining a sound capital structure. The Group will adjust its investment, financing and capital structure from time to time according to sustainable development and internal resources available, with a view to optimising the capital structure of the Group.

The Group established a financial settlement centre, which centralises funding for the Company and all of its subsidiaries at the group level. The Board believes that such policy can achieve better control on the treasury operations, minimise financing risks and lower the average cost of funding.

### **Financial Resources and Liabilities**

With the support of steady increase in cash flow, sound credit record and excellent reputation in the industry, the Group preserved the AAA credit rating by a credit rating institution recognised by the People's Bank of China. Such excellent credit rating will benefit the Group's financing activities and allow the Group to continue to enjoy the prime rate offered by the banks. During the year, the Group maintained part of its borrowings on an unsecured basis. The amount of secured debt accounted for approximately 10.6% of the total borrowings (2023: 39.1%). In addition, approximately 51.7% of the total borrowings (2023: 56.2%) were guaranteed by the Company; approximately 0.3% of the total borrowings (2023: 0.7%) were jointly guaranteed by the Company and non-controlling interests. Leveraging on its excellent credit rating, the Group intends to continue to obtain its borrowings on an unsecured basis, which will be supplemented by project financing when necessary.

The Group's objectives in the management of capital and financial resources are to safeguard the Group's ability to operate as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's financial position has been satisfactory and has continued to maintain a net cash position. The Group has sufficient capital resources to expand its business. As at 31 December 2024, the Group has unutilised banking facilities amounting to approximately RMB8.1 billion. As at 31 December 2024, the Group's gearing ratio (being its total liabilities divided its total equity) was 2.3 (31 December 2023: 2.7).

Details of which are analysed below:

	<b>As at 31 December</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Cash and cash equivalents	<b>8,009,474</b>	9,432,353
Term deposits with initial term of over three months	<b>832,376</b>	329,301
Restricted bank deposits	<b>1,248,932</b>	1,174,237
Less: total borrowings	<b>3,708,948</b>	3,544,043
Net cash	<b>6,381,834</b>	7,391,848
Total equity attributable to owners of the Company	<b>12,989,506</b>	12,583,028
Net cash ratio	<b>49.1%</b>	58.7%

Net cash ratio = net cash/total equity attributable to the owners of the Company

### **Other Key Financial Ratios**

	<b>As at 31 December</b>	
	<b>2024</b>	2023
Return on equity	<b>3.2%</b>	7.1%
Net assets value per share ( <i>RMB yuan</i> )	<b>24.95</b>	24.16
Current ratio	<b>1.22</b>	1.2

Return on equity = profit attributable to the owners of the Company/total equity attributable to the owners of the Company

Net assets value per share = total equity attributable to the owners of the Company/number of issued shares at the end of the year

Current ratio = current assets/current liabilities

During this year, the profit attributed to owners of the Company was approximately RMB409,907,000, representing a significant decrease of approximately 53.9% over last year. The return on shareholders' equity sharply decreased by approximately 54.9% over the previous year. And the net assets value per share increased by approximately 3.3% as compared to last year. As at 31 December 2024, the Group was still in a net cash position with a net cash ratio of 49.1%.

## Cash Flow Analysis

		For the year ended	
		31 December	
	Note	2024	2023
		RMB'000	RMB'000
Net cash (used in)/generated from operating activities	(i)	(24,485)	1,431,117
Net cash used in investing activities	(ii)	(533,165)	(221,879)
Net cash (used in)/generated from financing activities	(iii)	(870,425)	465,917
Net (decrease)/increase in cash and cash equivalents		(1,428,075)	1,675,155
Exchange gains on cash and cash equivalents		5,196	8,495

### Note:

- i During the year, the net cash used in operating activities was approximately RMB24,485,000, an increase of cash outflow of approximately RMB1,455,602,000 compared to the net cash inflow of approximately RMB1,431,117,000 of last year, which was primarily due to the decrease in receipt from construction and property development businesses compared to last year, acquisition of three parcels of land use rights, and the increase in land appreciation tax settled from completed property projects during the year.
- ii During the year, the net cash used in investing activities was approximately RMB533,165,000, an increase of cash outflow of approximately RMB311,286,000 compared to the net cash outflow of approximately RMB221,879,000 of last year, which was mainly due to the increase in placement of term deposits with initial term of over three months.
- iii During the year, the net cash generated from financing activities is approximately RMB870,425,000, a decrease of cash inflow of approximately RMB1,336,342,000 compared to the net cash inflow of approximately RMB465,917,000 of last year, which was mainly due to the increase in bank borrowing payment.

## Other (Losses)/Gains-Net

During the year of 2024, the Group recorded other losses – net of approximately RMB15,226,000, representing a decrease of approximately RMB278,249,000 compared to the other gains-net of approximately RMB263,023,000 last year, mainly due to the one-time compensation income of approximately RMB9,919,000 for the land, housing, storage and demolition in 2024, a decrease of approximately RMB365,737,000 compared to RMB375,656,000 in 2023. Besides, the construction stone mining right recorded an impairment loss of approximately RMB38,432,000.

## Selling and Marketing Costs

The Group's selling and marketing costs amounted to approximately RMB160,108,000 for the year ended 31 December 2024 (2023: approximately RMB201,276,000), representing a decrease of approximately RMB41,168,000, which is in line with the decrease of revenue of the Group.

## Administrative Expenses

The Group's administrative expenses amounted to approximately RMB755,619,000 for the year ended 31 December 2024, a decrease of approximately RMB61,241,000 compared to approximately RMB816,860,000 of last year, primarily due to a depreciation of approximately RMB27,040,000 of a property transferred to investment properties in administrative expenses, no such depreciation this year, and the Company's strict control of various administrative expenses.

## Finance (Costs)/Income – net

During the year ended 31 December 2024, the Group recorded net finance costs of approximately RMB14,828,000 (2023: net finance income RMB4,637,000).

## Income Tax Expenses

During the year ended 31 December 2024, income tax expenses were comprised of PRC corporate income tax of RMB246,689,000 (2023: RMB340,983,000) and PRC land appreciation tax of RMB230,783,000 (2023: RMB340,883,000), representing a decrease of approximately RMB204,394,000 from the previous year, which was mainly due to lower revenue and operating profit from the property projects recognized this year.

## Land Appreciation Tax

The Group has consistently complied with the tax rules and regulations in the PRC and conformed to the Hong Kong Financial Reporting and Accounting Standards in accounting for such tax provision, and has also prepaid the land appreciation taxes based on the sale values by applying assessable rates determined by the respective local tax authorities where the properties are located. For the year ended 31 December 2024, the Group's land appreciation tax amounted to approximately RMB230,783,000.

## Financial Guarantee

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Guarantees given to banks in respect of mortgage facilities granted for certain purchasers (a)	<b>1,308,906</b>	1,411,759
Guarantees to an associate in respect of borrowings (b)	<b>49,980</b>	–
Total	<b><u>1,358,886</u></b>	<u>1,411,759</u>

- (a) The Group provided guarantees in respect of mortgage facilities granted by banks relating to the mortgage loans arranged for purchasers of properties developed by the Group. The banks will release such guarantees upon the delivery of the building ownership certificates of such properties to banks as securities.
- (b) These mainly represented the maximum exposure of the guarantees provided for the borrowings of an associate.

## **Details of the Charges on the Group's Assets**

As at 31 December 2024, properties under development, property, plant and equipment, right-of-use for land at a total value of approximately RMB847,422,000 (as at 31 December 2023: RMB2,887,990,000) were pledged to banks as security in secured bank borrowings.

## **Capital Expenditure Plan**

The Group adopts a prudent approach in capital expenditure spending to ensure security of cash resources. In consideration of the complicated and highly uncertain economic environment, currently the Group has no material capital expenditure plans.

## **Fluctuation of RMB Exchange Rate and Foreign Exchange Risks**

The majority of the Group's business and all bank borrowings are denominated and accounted for in RMB. Therefore, the Group does not have significant exposure to foreign exchange fluctuation. The Board does not expect the fluctuation in RMB exchange rate and other foreign exchange fluctuations to have material impact on the business operations or financial results of the Group.

## **CONNECTED TRANSACTIONS**

During the year of 2024, the Group had no connected transaction that would require disclosure under the Listing Rules.

## **CONTINGENT LIABILITIES**

As at 31 December 2024, neither the Company nor the Group had any significant contingent liabilities (31 December 2023: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES**

The Group did not have any other material acquisitions or disposals of subsidiaries, joint ventures and associates during the year.

## **PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY**

Since the special resolution regarding the authorisation to the Board to buyback H shares of the Company since 2022 Annual General Meeting and class meetings, the Company has repurchased a total of 128,000 H shares in April 2024, representing 0.075% and 0.025% of the total number of H shares and the total number of issued shares of the Company respectively at the time the special resolution passed. The total amount paid was HKD560,760 (excluding transaction charges). The repurchased 128,000 H shares were cancelled on 5 July 2024. For details, please refer to the next day disclosure returns on 11 April 2024 published on the website of the Stock Exchange.

As at 31 December 2024, the total number of shares in issue was 520,628,053 (including 350,742,053 unlisted shares and 169,886,000 H shares).

Particulars of the shares buy-back are as follows:

Month	Number of shares bought back	Purchase price per share		Aggregate Consideration (before expenses) (HKD)	Current Status
		Highest (HKD)	Lowest (HKD)		
April 2024	128,000	4.40	4.30	560,760	Cancelled

Save as disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

The Directors believed that the above share buy-backs should reflect the underlying value of the Company, and signify the Group's confidence in its long-term growth prospects.

## HUMAN RESOURCES

As at 31 December 2024, the Group had a total of 6,172 permanent employees (as at 31 December 2023: 6,413). Also, there were approximately 61,695 indirectly employed construction site workers (as at 31 December 2023: 65,836). These workers were not directly employed by the Group. For the year ended 31 December 2024, the total employee benefit expenses amounted to approximately RMB4,543,856,000. Employee benefit expenses include salaries, insurance and other benefits. Remuneration is determined by reference to market terms as well as the performance, qualification and experience of the individual employee. The Group is subject to social insurance contribution plans organised by the PRC local government. In accordance with relevant national and local labor and social welfare laws and regulations, employee benefits provided by the Group include pension and medical insurance coverage, injury insurance, maternity insurance, unemployment insurance and housing provident fund. The Group highly values human resources management, and is devoted to establishing a high-quality team to support its long-term business development. The Board is continuously working on devising, revising and implementing a more effective employee incentive plan and training plan to encourage superior performance of employees to fit into the Group's long-term development plan.

As at 31 December 2024, the gender ratio for the Group's employees was approximately 68.97% male and approximately 31.03% female. The Company has implemented a fair employment policy, and the recruitment has been merit-based without any discrimination. The Group will continue to strive for increasing the proportion of female workers, with reference to the Shareholders' expectations and the recommended best management practice, to achieve an appropriate balance in gender diversity. Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report 2024.

## **LITIGATION AND ARBITRATION**

As at the date of this announcement, the Group had no material litigation and arbitration.

## **ENTRUSTED DEPOSITS AND OVERDUE TIME DEPOSITS**

As at the date of this report, the Group did not have any entrusted deposits placed with financial institutions in the PRC. All of the Group's cash and cash equivalents were deposited in commercial banks in accordance with the applicable laws and regulations. The Group had no bank deposits which cannot be withdrawn upon maturity.

## **CORPORATE GOVERNANCE CODE**

The Group has complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as at the date of this announcement except the vacancy of the chief executive officer. For further details, please refer to the Corporate Governance Report as set out in this annual report.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. As Mr. Pang Baogen, the chairman of the Board resigned as the chief executive officer with effect from 16 June 2023, the chief executive officer position was vacant. The Company deviated from this provision. The Board believed that Mr. Pang Baogen will make valuable contributions to the Company's overall strategic planning as a non-executive Director and the chairman of the Board. The Group appointed three general managers to oversee and manage the three main business activities (construction, property development and building materials) of the Group respectively. Currently, the Board comprises one non-executive Director, six executive Directors, and four independent nonexecutive Directors. The composition of the Board is competent to formulate overall strategic plans and key policies of the Group and is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

According to the Listing Rules, an issuer must disclose Environmental, Social and Governance (“**ESG**”) information on an annual basis. The board is responsible for evaluating and determining the issuer's ESG-related risks and has overall responsibility for the report. In April 2025, the “Environmental, Social and Governance Report 2024” will be published at the websites of the Stock Exchange of Hong Kong Limited and the Company respectively.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Board and the supervisory committee have adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct for securities transactions by the Directors and the Supervisors (the “**Supervisors**”). Specific enquiries have been made by the Company and all the Directors and the Supervisors have confirmed that they have complied with the Model Code throughout the year of 2024. If any related employees possess information which may be considered as sensitive to the Company’s share price and such information is not public, such employee has to comply with the written guidelines, which is as strict as the Model Code.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive directors, namely Mr. Xiao Jianmu (chairman), Mr. Li Wangrong and Mr. Fung Ching, Simon. The Audit Committee held three meetings on 26 January 2024, 26 March 2024 and 27 August 2024. Mr. Xiao Jianmu, Mr. Li Wangrong and Mr. Fung Ching, Simon attended the meetings. The Audit Committee has discussed the accounting policies, the critical accounting estimates and assumptions, the audit objectives and the scope of the Group’s internal audit department with management. They also discussed with the auditors on their audit plans and key audit areas. The audited consolidated financial statements and the annual results announcement of the Group for the year ended 31 December 2024 had been reviewed by the Audit Committee before submission to the Board for adoption and approval.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The Group’s consolidated financial statements for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers who has issued a standard unqualified audit opinion on these financial statements.

The figures in respect of the Group’s consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2024 as set out in the announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an 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 PricewaterhouseCoopers on the announcement.

## **PUBLICATION OF ANNUAL REPORT**

The full text of the Group's 2024 Annual Report will be sent to the shareholders of the Company and posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.baoyegroup.com](http://www.baoyegroup.com)) respectively in due course.

## **APPRECIATION**

The Board would like to take this opportunity to express its gratitude to the Company's shareholders, customers, suppliers, banks, intermediaries and employees of the Group for their continuous patronage and support.

By order of the Board  
**Baoye Group Company Limited**  
**Pang Baogen**  
*Chairman*

Zhejiang, the People's Republic of China  
28 March 2025

*As at the date of this announcement, the Board comprises Mr. Pang Baogen as Chairman and non-executive Director, six executive Directors, namely, Mr. Gao Lin, Mr. Gao Jun, Mr. Jin Jixiang, Mr. Xu Gang, Mr. Wang Rongbiao and Mr. Xia Feng, and four independent non-executive Directors, namely, Mr. Li Wangrong, Ms. Liang Jing, Mr. Xiao Jianmu and Mr. Fung Ching, Simon.*

\* *For identification purposes only*