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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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Baoye Group Company Limited* (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”), together with comparative figures for the corresponding period in 2023. The interim results had been reviewed by the audit committee of the Board and approved by the Board. The following financial information is extracted from the unaudited interim financial information to be set out in the Group’s 2024 Interim Report.

* For identification purpose only

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2024	2023
	Note	RMB'000	RMB'000
Revenue	4	12,770,676	14,324,646
Cost of sales		<u>(11,805,399)</u>	<u>(13,139,094)</u>
Gross profit		965,277	1,185,552
Other income		141,178	131,776
Other gains – net	5	10,151	366,463
Selling and marketing costs		(67,302)	(91,741)
Administrative expenses		(340,359)	(375,704)
Net impairment losses on financial assets and contract assets		<u>(84,511)</u>	<u>(96,581)</u>
Operating profit		624,434	1,119,765
Finance income		8,921	6,942
Finance costs		(7,859)	(204)
Finance income – net		1,062	6,738
Share of results of investments accounted for using the equity method		<u>15,371</u>	<u>56,792</u>
Profit before income tax		640,867	1,183,295
Income tax expense	6	<u>(217,602)</u>	<u>(459,677)</u>
Profit for the Period		423,265	723,618
Profit attributable to:			
– Owners of the Company		373,845	704,675
– Non-controlling interests		<u>49,420</u>	<u>18,943</u>
		423,265	723,618
Earnings per share for profit attributable to the owners of the Company			
– Basic and diluted (expressed in RMB yuan per share)	7	<u>0.72</u>	<u>1.34</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Profit for the Period	423,265	723,618
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss:</i>		
Currency translation differences	58	401
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of financial assets at fair value through other comprehensive income	(103,010)	203,512
Total other comprehensive income for the Period, net of tax	(102,952)	203,913
Total comprehensive income for the Period	320,313	927,531
Total comprehensive income attributable to:		
– Owners of the Company	270,893	908,588
– Non-controlling interests	49,420	18,943
	320,313	927,531

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		3,015,055	3,053,270
Right-of-use assets		711,579	723,156
Investment properties		1,133,745	1,132,408
Intangible assets		414,197	388,147
Investments accounted for using the equity method	8	489,970	485,694
Trade and other receivables	9	535,767	536,520
Financial assets at fair value through other comprehensive income		588,487	725,835
Financial assets at fair value through profit or loss		12,519	11,315
Deferred income tax assets		485,924	444,811
		<u>7,387,243</u>	<u>7,501,156</u>
Current assets			
Inventories		376,946	329,204
Properties under development		7,868,834	8,578,138
Completed properties held for sale		6,522,578	7,421,631
Contract assets		6,553,843	6,613,284
Trade and other receivables	9	7,628,674	7,128,853
Financial assets at fair value through profit or loss		–	6,000
Restricted bank deposits		994,447	1,174,237
Term deposits with initial term of over three months		416,758	329,301
Cash and cash equivalents		8,899,761	9,432,353
		<u>39,261,841</u>	<u>41,013,001</u>
Total assets		<u>46,649,084</u>	<u>48,514,157</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

		Unaudited 30 June 2024 <i>RMB'000</i>	Audited 31 December 2023 <i>RMB'000</i>
	<i>Note</i>		
EQUITY			
Equity attributable to owners of the Company			
Share capital and premium and treasury shares		889,722	890,230
Other reserves		514,111	617,063
Retained earnings		11,449,580	11,075,735
		<u>12,853,413</u>	<u>12,583,028</u>
Non-controlling interests		<u>480,121</u>	<u>420,901</u>
Total equity		<u>13,333,534</u>	<u>13,003,929</u>
LIABILITIES			
Non-current liabilities			
Bank and other borrowings		964,065	1,001,322
Lease liabilities		10,254	11,211
Deferred income tax liabilities		291,584	315,353
		<u>1,265,903</u>	<u>1,327,886</u>
Current liabilities			
Contract liabilities		11,714,301	13,141,914
Trade and other payables	10	17,631,768	17,762,483
Lease liabilities		2,634	2,764
Bank and other borrowings		2,454,110	2,542,721
Current income tax liabilities		246,834	732,460
		<u>32,049,647</u>	<u>34,182,342</u>
Total liabilities		<u>33,315,550</u>	<u>35,510,228</u>
Total equity and liabilities		<u>46,649,084</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 (“**H Share**”) 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 (together, the “**Group**”) are the provision of construction services, sale and installation of building materials and development and sale of properties in the PRC.

Unless otherwise stated, this interim financial information for the six months ended 30 June 2024 (“**Interim Financial Information**”) is presented in Renminbi (“**RMB**”). The Interim Financial Information has not been audited.

2 Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34, ‘Interim financial reporting’. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 (the “**2023 Financial Statements**”), which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) and disclosure requirements under the Hong Kong Companies Ordinance, and any public announcements made by the Company during the interim reporting period.

3 Material accounting policies

The accounting policies applied are consistent with those of the 2023 Financial Statements, except for the adoption of new and amendments to HKFRSs effective for the financial year beginning 1 January 2024.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(b) New standards, amendments and interpretations to existing standards have been issued but not yet effective and have not been early adopted by the Group

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2024 reporting period and have not been early adopted by the Group. These standards, amendments and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4 Segment information

The segment information provided to executive Directors for the reportable segments for the six months ended 30 June 2024 and 2023 are as follows:

	Six months ended 30 June 2024				
	Construction RMB'000	Property development RMB'000	Building materials RMB'000	Others RMB'000	Group RMB'000
Revenue from contracts with customers	9,300,876	3,002,236	1,918,821	310,231	14,532,164
Revenue from other sources					
Rental income	–	–	–	59,780	59,780
Total segment revenue	9,300,876	3,002,236	1,918,821	370,011	14,591,944
Less: inter-segment revenue	(704,577)	–	(917,471)	(199,220)	(1,821,268)
Revenue (from external customers)	8,596,299	3,002,236	1,001,350	170,791	12,770,676
Operating profit/segment results	324,535	320,526	(22,768)	2,141	624,434
Depreciation	36,935	21,149	69,665	30,383	158,132
Net impairment losses/(reversal of impairment losses) on financial assets and contract assets	83,210	(644)	1,504	441	84,511
	Six months ended 30 June 2023				
	Construction RMB'000	Property development RMB'000	Building materials RMB'000	Others RMB'000	Group RMB'000
Revenue from contracts with customers	8,782,807	4,822,040	1,718,319	263,535	15,586,701
Revenue from other sources					
Rental income	–	–	–	65,417	65,417
Total segment revenue	8,782,807	4,822,040	1,718,319	328,952	15,652,118
Less: inter-segment revenue	(551,872)	–	(608,210)	(167,390)	(1,327,472)
Revenue (from external customers)	8,230,935	4,822,040	1,110,109	161,562	14,324,646
Operating profit/segment results	483,044	751,482	(114,818)	57	1,119,765
Depreciation	37,578	6,449	69,068	31,398	144,493
Net impairment losses/(reversal of impairment losses) on financial assets and contract assets	18,166	(2,139)	80,965	(411)	96,581

5 Other gains-net

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Demolition compensation	–	337,020
Government grants and compensation	7,226	13,274
Gains on disposal of financial assets at FVPL	74	953
Net foreign exchange losses	(2,683)	(2,401)
Gains on disposal of property, plant and equipment	1,544	5,614
Fair value gains from financial assets at FVPL	1,204	2,402
Fair value gains/(losses) of investment properties	1,337	(1,093)
Donations	(10,480)	(10)
Others	11,929	10,704
	<u>10,151</u>	<u>366,463</u>

6 Income tax expenses

During the Period, the Group is subject to the same types of income taxes as those disclosed in 2023 Financial Statements. Income tax expenses are determined and accounted for based on management's estimate of the annual income tax rate expected for the full financial year.

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax		
– PRC corporate income tax	174,606	288,596
– Land appreciation tax	73,540	184,490
	<u>248,146</u>	<u>473,086</u>
Deferred income tax		
– PRC corporate income tax	(30,544)	(13,409)
	<u>217,602</u>	<u>459,677</u>

7 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the Period, excluding those ordinary shares held as treasury shares.

	Six months ended 30 June	
	2024	2023
Profit attributable to the owners of the Company (RMB'000)	373,845	704,675
Weighted average number of ordinary shares in issue during the Period (thousands shares)	520,756	526,108
Basic earnings per share (RMB yuan)	0.72	1.34

The Company had no dilutive potential shares in issue during the six months ended 30 June 2024 and 2023, thus the diluted earnings per share equaled the basic earnings per share.

8 Investments accounted for using the equity method

	30 June 2024 RMB'000	31 December 2023 RMB'000
Investments in joint ventures (a)	454,687	445,027
Investments in associates (b)	35,283	40,667
	489,970	485,694

(a) Investments in joint ventures

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
At 1 January	445,027	344,821
Additions	4,900	9,800
Share of results	17,755	60,070
Dividends	(14,700)	–
Adjustment for transactions between the Group and joint ventures	1,705	139
At 30 June	454,687	414,830
Represented by share of net assets	454,687	414,830

(b) Investments in associates

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
At 1 January	40,667	57,914
Additions	1,000	–
Disposals	(4,000)	–
Share of results	(2,384)	(3,278)
	<hr/>	<hr/>
At 30 June	35,283	54,636
	<hr/>	<hr/>
Represented by share of net assets	35,283	54,636
	<hr/>	<hr/>

9 Trade and other receivables

	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Non-current assets		
Loans to joint ventures (a)	399,181	398,927
Loans to associates (b)	136,586	137,593
	<hr/>	<hr/>
	535,767	536,520
	<hr/>	<hr/>
Current assets		
Trade receivables (c)	5,151,030	4,930,759
Other receivables and prepayments (d)	2,172,857	2,122,751
Loans to joint ventures (a)	304,787	75,343
	<hr/>	<hr/>
	7,628,674	7,128,853
	<hr/>	<hr/>

(a) *Loans to joint ventures*

	30 June 2024 RMB'000	31 December 2023 RMB'000
At 1 January	483,785	504,865
Additions	243,000	16,602
Repayments	(3,250)	(39,555)
Interest accrued	972	1,873
	724,507	483,785
Less: provision for loss allowance	(20,539)	(9,515)
At 30 June	703,968	474,270
Less: current portion	(304,787)	(75,343)
Non-current portion	399,181	398,927

RMB49,447,000 (31 December 2023: RMB50,125,000) of loans to joint ventures are interest-bearing at interest rates ranging from 4% per annum to 5.22% per annum (31 December 2023: at ranging from 4% per annum to 5.22% per annum) with maturity within one year. The remaining amounts of the loans are interest-free and repayable on demand. All loans to joint ventures were unsecured.

(b) *Loans to associates*

	30 June 2024 RMB'000	31 December 2023 RMB'000
At 1 January	140,213	142,678
Repayments	(1,000)	(2,465)
	139,213	140,213
Less: provision for loss allowance	(2,627)	(2,620)
At 30 June	136,586	137,593

Loans to associates are interest-free and unsecured.

(c) *Trade receivables*

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade receivables	5,799,161	5,560,800
Less: provision for loss allowance	(648,131)	(630,041)
	<u>5,151,030</u>	<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 installment arrangement).

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Within 3 months	1,703,072	1,714,935
3 months to 1 year	1,716,359	1,817,330
1 to 2 years	1,193,798	916,598
2 to 3 years	645,530	724,951
Over 3 years	540,402	386,986
	<u>5,799,161</u>	<u>5,560,800</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2024, a provision of RMB648,131,000 (as at 30 June 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.

(d) *Other receivables and prepayments*

	30 June 2024 RMB'000	31 December 2023 RMB'000
Other receivables:		
– Retention money and project deposits	668,365	580,330
– Advances to project managers (i)	123,474	127,828
– Government compensation	378,256	378,256
– Others	285,179	276,523
	1,455,274	1,362,937
Less: provision for loss allowance	(19,792)	(18,421)
	1,435,482	1,344,516
Prepayments:		
– Prepayments for land use rights for property development	378,050	378,050
– Prepaid income taxes	233,116	299,144
– Others	126,209	101,041
	737,375	778,235
Other receivables and prepayments	2,172,857	2,122,751

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

10 Trade and other payables

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade payables (a)	11,169,779	10,761,627
Other payables (b)	6,461,989	7,000,856
	17,631,768	17,762,483

(a) Trade payables

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Within 3 months	4,514,956	4,418,814
3 months to 1 year	4,064,398	3,733,685
1 to 2 years	1,346,553	1,360,660
2 to 3 years	847,132	851,171
Over 3 years	396,740	397,297
	11,169,779	10,761,627

(b) Other payables

	30 June 2024 RMB'000	31 December 2023 RMB'000
Deposits from project managers	3,732,914	3,944,352
Amounts due to non-controlling interests (i)	489,867	486,597
Prepayments from government for housing demolition and relocation (ii)	450,591	451,092
Deposits from property purchasers	279,412	246,880
Other taxes payables	222,763	454,638
Salaries payables	55,626	105,062
Others	1,230,816	1,312,235
	6,461,989	7,000,856

(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.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Review

For the six months ended 30 June 2024, the Group achieved a consolidated revenue of approximately RMB12,770,676,000, which represents a decrease of approximately 11% compared with the corresponding period last year, mainly due to revenue decrease of recognized property units from property development business during the Period as compared to the same period last year; operating profit amounted to approximately RMB624,434,000, which represents a substantial decrease of approximately 44% as compared with the corresponding period last year; profit attributable to the owners of the Company amounted to approximately RMB373,845,000, which represents a substantial decrease of approximately 47% compared to the same period last year; earnings per share was approximately RMB0.72, which represents a substantial decrease of approximately 46% compared to the same period last year. During the same period last year, 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 for this period decreased by approximated 20%, mainly due to the decrease of revenue recognized and the operating profit from property development business compared with the same period last year.

Revenue

	For the six months ended 30 June				Change
	2024		2023		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Construction	8,596,299	67%	8,230,935	57%	4%
Property Development	3,002,236	24%	4,822,040	34%	-38%
Building Materials	1,001,350	8%	1,110,109	8%	-10%
Others	170,791	1%	161,562	1%	6%
Total	12,770,676	100%	14,324,646	100%	-11%

Operating Profit

	For the six months ended 30 June				Change
	2024		2023		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Construction	324,535	52%	483,044	43%	-33%
Property Development	320,526	51%	751,482	67%	-57%
Building Materials	(22,768)	-3%	(114,818)	-10%	-80%
Others	2,141	0%	57	0%	3,656%
Total	624,434	100%	1,119,765	100%	-44%

Construction Business

For the six months ended 30 June 2024, the Group's construction business achieved a revenue of approximately RMB8,596,299,000, representing an increase of approximately 4% compared to the same period last year; operating profit was approximately RMB324,535,000, representing an obvious decrease of approximately 33% over the same period last year. Such decrease in operating profit was mainly due to the one-time compensation income for the land, housing, storage and demolition of a wholly-owned subsidiary of the Group in Wuhan City, Hubei Province, which was recognised in the construction business segment during the same period last year.

In the first half of 2024, the complexity and severity of China's external environment were significantly on the rise, coupled with growing challenges from the macro environment. Fortunately, the Group's construction business was mainly carried out in Yangtze River Delta area and Hubei Province, where the economy was comparatively prosperous and had stronger risk resistance capacity under the macroeconomic adjustments than other regions in China. By virtue of its sound financial position and business capability, the Group has maintained basic stability in its business volume amid the fierce market competition and a shrinking market environment.

During the Period, under the shrinking market and intensifying competition environment, the contract value of the new construction of the Group's construction business was approximately RMB8.14 billion (corresponding period of 2023: RMB8.2 billion), basically the same as that of the corresponding period last year, which was mainly buoyed by the sound financial position of the Group and its good reputation built in the construction industry. Some of the large-scale projects undertaken by the Group during the Period are as follows: Light Textile Intelligent Valley Digital Industrial Park, Shaoxing University Expansion Project, Guangxi Huayi Energy and Chemical Company Limited PC General Contracting Project, Hangzhou Bay Shangyu Economic and Technological Development Zone [2023] Land Parcel J2 Construction Project, Shaoxing Urban Construction Archives Management Service Centre Construction Project, Shangyu Water Affair Service Centre Construction Project, etc. With the transformation and upgrading of the property industry, the completion of infrastructure projects invested by government, especially in the Group's major markets of construction business including Jiangsu, Zhejiang and Shanghai, as well as the fierce competition from leading central state-owned enterprises, the operation of construction business will face a much more cruel market environment in the future.

Property Development Business

Property Sales

For the six months ended 30 June 2024, the revenue of the Group's property development business amounted to approximately RMB3,002,236,000, which represents a substantial decrease of approximately 38% from the corresponding period last year. Operating profit amounted to approximately RMB320,526,000, which represents a substantial decrease of approximately 57% compared to the corresponding period last year. The property projects recognised during the Period decreased sharply compared with the same period last year, hence the revenue and operating profit of property development business during the Period fell significantly as compared to the same period last year.

During the Period under review, revenue of property sales was mainly derived from the following projects, details of which are set out below:

Project	Location	Average Selling Price (RMB/sqm)	Floor Areas Sold (sqm)	Revenue (RMB'000)
Baoye Daban Green Garden	Shaoxing	26,939	42,407	1,142,417
Xialv Project • Yunxili	Shaoxing	13,643	35,469	483,895
Baoye Four Seasons Garden	Shaoxing	15,513	25,767	399,712
Sizhou Green Garden	Sixian	4,529	39,166	177,369
Jiangnan Fu	Taihe	6,605	24,699	163,144

For the six months ended 30 June 2024, the Group's property development business achieved a contract sales value of approximately RMB1.26 billion with a total contract sales area of approximately 136,855 square metres.

Projects under Development

As at 30 June 2024, projects under development of the Group are tabulated below:

Project Name	Location	Total GFA Under Development (sqm)	Equity Interest of the Group
Baoye Four Seasons Garden	Shaoxing	191,105	100%
Xialv Project	Shaoxing	149,716	60%
Fengyue Shangzhu	Hangzhou	49,497	100%
Xishan Yueyuan	Lishui	116,905	100%
Biou Jiayuan	Lishui	124,655	100%
Active Paradise	Shanghai	65,001	100%
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	404,465	51%

Baoye Four Seasons Garden is located in Kuaijishan Tourist Resort Zone, a provincial resort district in Zhejiang Province. With historical culture and spectacular scenery, the area is where ancient civilisation flourished. As the origin of many myths and folklores, this area has not only deep richness in culture 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”, merging nature with urban prosperity. 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, town houses and garden houses, all fully equipped with supporting facilities, such as a golf club, a five-star resort hotel, two leisure parks, a sports park, a shopping arcade, a kindergarten and a central lakeside garden. There are a few units of houses remaining for sale under Phase I. Some houses under Phase II were delivered while the remaining is under development and pre-sale.

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 metres, 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), is developed in two phases and has been basically sold out. During the Period, the residential units under Phase I of Yunxili were delivered to the owners, and Phase II will be delivered in the second half of 2024.

Fengyue Shangzhu is located in Xiaoshan District, Hangzhou City. The project covers a site area of approximately 16,235 square metres, with a plot ratio of 2.0 and a total gross floor area of approximately 49,497 square metres. In May 2021, the Group acquired this land use right through tendering and bidding at a total consideration of RMB334,760,000. The project is built with Baoye's one-hundred-year housing refined decoration system. The construction of the project has been completed and the project will be delivered in the second half of 2024. The remaining units are currently on pre-sale.

Xishan Yueyuan, located in Liandu District, Lishui City, Zhejiang Province, has a total site area of approximately 45,173 square metres and a total gross floor area of approximately 116,905 square metres. The project consists of high-rise mixed with low-rise buildings, well decorated mixed with non-decorated units, with some of the buildings being built by the Company's one-hundred-year housing technology. A subsidiary of the Company acquired this land use right in August 2021 at a total consideration of RMB510,000,000. The project is developed in two phases, both of which are currently under construction and have started pre-sale.

Biou Jiayuan, located in Liandu District, Lishui City, Zhejiang Province, has a site area of approximately 45,949 square metres and a total gross floor area of approximately 124,655 square metres. A subsidiary of the Company secured this land use right in June 2022 at a total consideration of RMB270,000,000. A portion of the project will be sold to the local community, whose homes were being demolished as part of the construction process, at specified concessional prices. The project is developed in two phases, both of which are currently under construction and have started pre-sale.

Baoye Active Paradise, located in Baihe Town, Qingpu District, Shanghai, has a site area of 22,309 square metres and a plot ratio of 2.0. The Group acquired this land use right at a total consideration of RMB568,600,000 in August 2021. Adhering to the idea of "building a house like assembling a car", the project embodies technical housing which leverages new industrialised prefabricated assembly technology and takes the essence of Industry 4.0 technology with exquisite craftsmanship and a fully imported production line of the global leading brand, Vollert from Germany, in order to create premium residences. At present, the construction of the project will be completed soon and the pre-sale is undergoing. The project is scheduled to be delivered in the second half of 2024.

Baoye Puyuan, located at the centre area of Guanggu Centre, Donghu High-Tech Development District, Wuhan City, Hubei Province, has a total site area of approximately 45,582 square metres and a total gross floor area of approximately 165,144 square metres. 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 in proximity to schools and parks. The project is close to prosperity but far away from noise. At present, the project is under construction and pre-sale with sound results.

Baoye Qinyuan, located in centre area of Wujiagang District, Yichang City, acquired by a subsidiary of the Company in December 2022 at a total consideration of RMB455,100,000 through public bidding, has a total land area of approximately 73,405 square metres and a total gross floor area of approximately 196,596 square metres. The project will be constructed with a rare plot ratio of 2.0 in the centre 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 with Phase I under construction and pre-sale.

Mengcheng Binhe Green Garden, located in Mengcheng County, Anhui Province, has a site area of approximately 76,503 square metres. A wholly-owned subsidiary of the Company acquired this land use right in May 2022 at a total consideration of RMB240,990,000. The project is currently under construction and pre-sale.

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 is developed in five phases. The first and second phases have commenced delivery to owners, and only few units remain for sale. The minority of third phase is currently under construction and 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 metres, and a gross floor area of approximately 129,665 square metres, which was delivered at the end of 2020. The commercial segment with a site area of approximately 7,220 square metres is under construction. The surrounding transportation of the project is convenient, the supporting facilities are well-developed, and there are parks, banks, shopping malls and other business formats. In February 2019, the Company obtained the land use right of another segment with a total site area of approximately 111,947 square metres on the west side of the project. The segment consists of 21 high-rises and is developed in two phases. The 11 buildings under Phase I were delivered in July 2022. Phase II is composed of 10 buildings, of which 4 buildings were delivered in July 2023 and the remaining 6 buildings are still under construction and pre-sale.

Zhengzhou Project, located in Jianshan Tourist Resort Zone, Xinmi City, Zhengzhou City, Henan Province, with convenient transportation, spectacular scenery and historical culture, has a site area of approximately 336,776 square metres. The Group acquired this land use right in November 2018 at a total consideration of RMB184,662,013. The project is currently 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 parcels A and B with a total site area of approximately 46,888 square metres and a gross floor area of approximately 124,907 square metres 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 metres at a total consideration of RMB107,120,000 through public auction. This project enjoys well-developed facilities, convenient transportation and education resources. The land parcel B was delivered in 2021 and the land parcel A was delivered in 2023. The land parcel C was partially delivered in the first half of 2024, while the remaining is still under construction and pre-sale.

Sixian Xuefu Green Garden, located in Sixian Economic Development District, Suzhou City, Anhui Province, has a site area of approximately 111,955 square metres. 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 metres and a gross floor area of approximately 404,465 square metres 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 of the project. The project is developed in two residential communities in the north and south. In view of the current market environment, the project is proceeding as planned. The south community will be developed in three phases, with Phase I expected to be delivered in the second half of 2024. The remaining of the project is still under planning.

New Land Reserve

Time table	Location	Cost (RMB'000)	Land area (sqm)	Equity
July, 2024	Shao Xing City, Zhejiang Province	416,000	42,966	70%
July, 2024	Shao Xing City, Zhejiang Province	291,877	14,094	100%

The Group continues to adopt a prudent but proactive role in land acquisition and business expansion. The Group has land reserve mainly in Zhejiang, Anhui and Henan. The Group will pay close attention to the land auction market and acquire further land reserves at reasonable cost in Zhejiang, Shanghai, Hubei and Anhui.

Building Materials Business

For the six months ended 30 June 2024, the revenue of the Group's building materials business was approximately RMB1,001,350,000, representing a decrease of approximately 10% compared to the same period last year; operating loss was approximately RMB22,768,000, which represents a sharp decrease in loss of approximately 80% over the same period last year. The decrease in operating loss was mainly owing to the special impairment accounted for the trade receivables and contract assets of some real estate development companies with increased credit risk during the corresponding period last year.

The revenue break-down of the Group's building materials for the six months ended 30 June 2024 is analysed below:

	For the six months ended 30 June				Change
	2024		2023		
	RMB'000	% the total	RMB'000	% the total	
Curtain Wall	568,683	58%	591,240	54%	-4%
Furnishings and Interior Decorations	123,959	12%	78,023	7%	59%
Ready-mixed Concrete	64,286	6%	79,394	7%	-19%
PC Assembly Plate	164,505	16%	264,814	24%	-38%
Wooden Products and Fireproof Materials	31,240	3%	47,270	4%	-34%
Steel Structure	17,859	2%	8,499	1%	110%
Others	30,818	3%	40,869	3%	-25%
Total	1,001,350	100%	1,110,109	100%	-10%

Construction Stone Mining Rights

An indirect wholly-owned subsidiary of the Company, owns a construction stone mining right located in Yichang City, Hubei Province for a term of 23 years with a mine area of approximately 0.3323 square kilometres. As at 30 June 2024, the mine was still under infrastructure construction and had not yet commenced mineral mining work, which is expected to commence in the second half of 2024.

BUSINESS PROSPECT

Construction Business

In terms of development environment home and abroad, external environment remains challenging while domestic economic growth comes under pressure. With fixed asset investment growth declining and real estate development contraction deepening, the construction industry is still facing a severe test. In the coming years, how to survive under the volatile market conditions will be a major issue for construction enterprises. “Success could be attained only by hard work rather than hesitation.” Baoye is not the company which grows fastest, but it insists on a healthy and steady development. Looking forward to the future, the Group will continue to stick to exquisite craftsmanship quality, coordinate and promote projects in a high-quality and efficient manner, and strive for superior engineering projects. Additionally, the Group will proactively expand business areas, refine its portfolio of ongoing projects, participate in urban construction in more dimensions, and take the lead in developing new quality productive forces in the industry and boosting high-quality development of the Company.

Property Development Business

During the first half of 2024, the Chinese government launched many supportive policies on both sides of supply and demand for the property market. On 30 April, the CPC Central Committee Political Bureau meeting underscored the need to “reduce housing inventory and improve the quality of new housing in a coordinated manner”, shifting the policy focus to “reducing housing inventory. On 17 May, the People’s Bank of China adopted a full range of policies to optimise real estate credit, which helped bolster homebuying demand. On 7 June, the State Council executive meeting called for steps to “reduce the housing inventory and stabilize property market”. Despite such efforts, weak housing demand and high debt of property developers continued to dampen activity in the industry, and the whole property sector was still confronted with significant downward pressure when undergoing a deep adjustment. However, the Group firmly believe that as long as we maintain sound development momentum, the Group will be poised to seize structural opportunities of the market and grow against headwinds in the current shrinking market.

A mercenary attitude is doomed to failure; a people-oriented approach will spark innovation. The property industry has undergone a times of “whether you have it” to “what you have”. The golden age of a massive expansion has gone, yet high-quality property has ushered in a new era. People’s pursuit of a better life will be never ending, so will the property. Following a long period of pain and industry reshuffle, only “good houses” with high quality can generate demand and win market share. “Good houses” should not only be in line with contemporary aesthetics and lifestyle, but also can go through cycles and withstand the test of time. Looking ahead, with steadfast commitment to the idea of “Good houses built by Baoye”, the Group will keep its “one-hundred-year housing” construction technology abreast with the times, and insist that speed and quality go hand in hand, with a view to providing good houses of “high quality, new technology and good service” for the society.

Building Materials Business

The development of science and technology can liberate people from back-breaking manual labour, and modern manufacturing industry can ensure the quality and standards of products by implementing product standardisation and regularisation. In the past, construction industry was primarily driven by scale and speed, while today's market prioritizes quality, safety and environmental protection. In terms of the advanced experience of developed countries and the accumulated efforts of construction industrialisation following decades of rapid development in China's construction industry, construction industrialisation is undoubtedly the inevitable trend of the industry development. As an enterprise group integrating the three main businesses of building construction, property development and building industrialisation, the Group has been deeply involved in the three main businesses for more than 20 years. From the perspective of the Group's urgent need of pursuing "Good houses built by Baoye" in property development business and the Group's deep insight on the pain points and difficulties in traditional construction business, construction industrialisation aims at creating high-quality buildings based on the achievements made by traditional construction industry, which will not only effectively improve the efficiency of construction and quality of buildings, but also further reduce quality hazards and safety risks, contamination and wastage. In the future, the Group will persistently explore construction industrialisation technologies and products suitable for China's realities, integrate 80,000 parts and upstream and downstream industrial chains, and elevate traditional construction industry to construction industrialisation cluster manufacturing characterised by "Clicks and mortar, from building to manufacturing", striving to realise the transformation and upgrading of the industry from construction sites to factories, and from workers to machines.

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 has 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 a 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 Period under review, the Group maintained part of its borrowings on an unsecured basis. The amount of secured debt accounted for approximately 36.9% (corresponding period of 2023: 37.4%) of the total borrowings. In addition, approximately 58.1% of the total borrowings (corresponding period of 2023: 60.4%) were guaranteed by the Company; approximately 0.7% of the total borrowings (corresponding period of 2023: 0.3%) were jointly guaranteed by the Company and non-controlling interests to the lending banks. Leveraging 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 of the management of capital and financial resources are to safeguard the sustainable development of the Group 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 resource to expand its business. As at 30 June 2024, the untapped banking facilities of the Group amounted to approximately RMB7 billion.

Details of which are analysed below:

	As at 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	8,899,761	8,224,103
Term deposits with initial term of over three months	416,758	427,992
Restricted bank deposits	994,447	1,622,198
Less: total borrowings	(3,418,175)	(3,372,370)
Net cash	6,892,791	6,901,923
Total equity attributable to owners of the Company	12,853,413	12,311,475
Net cash ratio	54%	56%
Net cash ratio	= net cash/total equity attributable to the owners of the Company	

Other Key Financial Ratios

	As at 30 June	
	2024	2023
Return on equity	2.91%	5.72%
Net assets value per share (RMB yuan)	24.68	23.64
Current ratio	1.23	1.21

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 Period
Current ratio	=	current assets/current liabilities

During the Period, the profit attributable to owners of the Company was approximately RMB373,845,000, a substantial decrease of approximately 46.9% compared with the same period last year, and the return on shareholders' equity decreased by approximately 49.2% compared with the same period last year. As at 30 June 2024, the Group was still in a net cash position with a net cash ratio of 54%.

Cash Flow Analysis

		For the six months ended	
		30 June	
		2024	2023
	Note	RMB'000	RMB'000
Net cash (used in)/generated from operating activities	(i)	(144,049)	164,744
Net cash used in investing activities	(ii)	(275,767)	(24,922)
Net cash (used in)/generated from financing activities	(iii)	(114,092)	315,383
Net (decrease)/increase in cash and cash equivalents		(533,908)	455,205

Notes:

- (i) During the Period under review, the net cash used in operating activities was approximately RMB144,049,000, representing an increase of cash outflow of approximately RMB308,793,000 compared to the same period last year, which was mainly due to the increase in land appreciation tax payments resulted from the increase in land appreciation tax settlement projects during the period;
- (ii) During the Period under review, the net cash used in investing activities was approximately RMB275,767,000, representing an increase of cash outflow of approximately RMB250,845,000 compared to the same period last year, which was mainly owing to the increase in loans to joint ventures;
- (iii) During the Period under review, the net cash used in financing activities was approximately RMB114,092,000, representing an increase of cash outflow of approximately RMB429,475,000 compared to the same period last year, which was mainly attributed to the increase in repayment of bank borrowings during the Period.

Administrative Expenses

The Group's administrative expenses amounted to approximately RMB340,359,000 for the six months ended 30 June 2024, representing a decrease of 9% as compared to that of approximately RMB375,704,000 for the same period last year. The decrease in administrative expenses was consistent with the decrease of revenue recognized compared with the same period last year.

Finance income – Net

For the six months ended 30 June 2024, the Group had registered financial income of approximately RMB8,921,000, finance costs of approximately RMB(7,859,000) and net finance income of approximately RMB1,062,000 (corresponding period of 2023: RMB6,738,000), representing a decrease of approximately RMB5,676,000 compared to the same period last year, mainly due to the net foreign exchange gains decreased compared with the same period last year.

Income Tax Expenses

For the six months ended 30 June 2024, income tax expenses comprised of PRC corporate income tax of approximately RMB144,062,000 (corresponding period of 2023: approximately RMB275,187,000) and PRC land appreciation tax of approximately RMB73,540,000 (corresponding period of 2023: approximately RMB184,490,000), representing a decrease of approximately RMB242,075,000 compared to the same period last year, primarily due to less income and lower profit margin of properties recognised during the Period under review.

Financial Guarantees

	30 June 2024 RMB'000	31 December 2023 RMB'000
Guarantees given to banks in respect of mortgage facilities granted for certain purchasers (a)	1,292,991	1,411,759
Guarantees to an associate in respect of borrowings (b)	15,600	–

- (a) The Group had provided guarantees in respect of mortgage facilities granted by banks relating to the mortgage loans arranged for purchasers of property 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 30 June 2024, properties under development, right-of-use for land, property, plant and equipment with an aggregate carrying value of approximately RMB2,405,800,000 (as at 31 December 2023: approximately RMB2,887,990,000) were pledged to banks as security in securing bank borrowings.

Capital Expenditure Plan

The Group adopts a prudent approach in capital expenditure spending to ensure security of capital chain. The Group will pay more attention to market changes and will increase its investments in acquisition of land and relevant businesses at appropriate time with reasonable costs.

Fluctuation of RMB Exchange Rate and Foreign Exchange Risks

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

Dividends

The Board resolved not to declare any payment of interim dividend for the six months ended 30 June 2024 (corresponding period of 2023: Nil).

Connected Transactions

During the Period under review, the Group had no connected transaction that would require disclosure under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Contingent Liabilities

As at 30 June 2024, neither the Company nor the Group had any significant contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries, Joint Ventures and Associates

During the Period under review, the Group did not have material acquisitions and disposals of subsidiaries, joint ventures and associates.

Purchase, Sale or Redemption of Shares of the Company

During the period under review, the Company repurchased a total of 128,000 of its H Shares, representing approximately 0.075% and 0.025% of the total number of H Shares and total number of issued shares of the Company respectively, for a total consideration of HK\$560,760 (excluding trading fee). Details of the repurchase of H Shares were as shown in the next day disclosure returns dated 11 April 2024 published on the website of The Stock Exchange of Hong Kong Limited.

Particulars of the shares buy-back are as follows:

Month	Number of shares buy-back	Purchase price		Aggregate Consideration (before expenses) HKD	Status
		Highest (HKD/Share)	Lowest (HKD/Share)		
April 2024	128,000	4.40	4.30	560,760	cancelled (a)

(a) The repurchased 128,000 H Shares has been cancelled on 5 July, 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 announcement, 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.

Human Resources

As at 30 June 2024, the Group had a total of approximately 6,236 permanent employees (as at 30 June 2023: 6,445). There were also approximately 62,659 indirectly employed construction site workers (as at 30 June 2023: 62,587). These workers were not directly employed by the Group. For the six months ended 30 June 2024, the total employee benefit expenses amounted to approximately RMB2,363,570,000 (the corresponding period in 2023: RMB2,251,063,000). 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 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 and unemployment insurance. The Group highly values human resources management, and is devoted to establishing a high-quality team to support its long-term business development. The Group 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.

Corporate Governance Practices

As at the date of this announcement, the Group has complied with all the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules, except for deviation of provision of the CG Code as mentioned below:

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. 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 non-executive Directors. The composition of the Board is competent and experienced 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.

The Board will regularly review the management structure to ensure that it meets the business development requirements of the Group.

Model Code for Securities Transactions by Directors and Supervisors

The Board and the supervisory committee (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 of the Company (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 six months ended 30 June 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.

Changes in Directors’ and Supervisors’ Information

Changes in the Directors’ and Supervisors’ information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Name	Change
Director	
Mr. Xia Feng	Re-elected as an executive Director of the Company since 14 June 2024

Directors’ biographies are available on the Company’s website.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Audit Committee

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely, Mr. Xiao Jianmu, Mr. Li Wangrong and Mr. Fung Ching, Simon, with Mr. Xiao Jianmu as the Chairman of the Audit Committee. The Audit Committee held two meetings, and discussed the accounting policies as well as critical accounting estimates and assumptions with the management. The audit objectives of internal audit department of the Group were also discussed.

Review of Interim Results

The interim results of the Group for the six months ended 30 June 2024 had been reviewed by the Audit Committee before being approved by the Board. The independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

Publication of Interim Report

The full text of the Group’s 2024 Interim Report for the six months ended 30 June 2024 will be sent to the shareholders of the Company and posted on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.baoyegroup.com) respectively in due course.

Appreciation

The Board would like to take this opportunity to express its gratitude to the shareholders of the Company, 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
29 August 2024

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.