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CHINA TIANBAO GROUP DEVELOPMENT COMPANY LIMITED
中國天保集團發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1427)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL HIGHLIGHTS

		Year ended December 31	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Revenue			
– Construction contracting business		**1,867,859**	2,169,878
– Property development and other business		**168,054**	546,711
Gross profit		**54,734**	161,913
Underlying (loss)/profit	*1*	**(161,544)**	31,379
Reported (loss)/profit	*2*	**(165,554)**	10,990
		RMB	*RMB*
(Loss)/earnings per share		**(0.20)**	0.01

Notes: 1. Underlying (loss)/profit is calculated as reported (loss)/profit less fair value loss on investment properties, realised loss of financial assets at fair value through profit or loss and fair value gain/(loss) on financial assets at fair value through profit or loss, and is not prepared under the IFRSs.

2. Reported (loss)/profit is prepared under the IFRSs.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: Nil).

RESULTS HIGHLIGHTS

The board (the "**Board**") of directors (the "**Directors**") of China Tianbao Group Development Company Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2024 (the "**Reporting Period**" or "**Year**") prepared under the International Financial Reporting Standards (the "**IFRSs**"), together with comparative figures for the year ended December 31, 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended December 31	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
REVENUE	*4*	**2,035,913**	2,716,589
Cost of sales		**(1,981,179)**	(2,554,676)
Gross profit		**54,734**	161,913
Other income and gains	*4*	**10,936**	5,236
Selling and distribution expenses		**(264)**	598
Administrative expenses		**(57,627)**	(61,282)
Impairment (losses)/gain on financial and contract assets, net		**(72,011)**	18,243
Fair value loss on investment properties		**(1,100)**	(100)
Fair value gain/(loss) on financial assets at fair value through profit or loss		**1,554**	(7,932)
Other expenses		**(3,069)**	(904)
Finance costs		**(73,162)**	(71,497)
(LOSS)/PROFIT BEFORE TAX	*5*	**(140,009)**	44,275
Income tax expense	*6*	**(25,545)**	(33,285)
(LOSS)/PROFIT FOR THE YEAR		**(165,554)**	10,990
Attributable to:			
Owners of the parent		**(165,554)**	10,990
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted			
– For (loss)/profit for the year		**RMB(0.20)**	RMB0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended December 31	
	2024	2023
	RMB'000	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR	**(165,554)**	10,990
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(1,386)**	29
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(1,386)**	29
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**7,467**	(6,705)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**6,081**	(6,676)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(159,473)**	4,314
Attributable to:		
Owners of the parent	**(159,473)**	4,314

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,328,433**	1,236,389
Investment properties		**238,600**	239,700
Right-of-use assets		**9,659**	10,659
Other intangible assets		**259**	497
Equity investments designated at fair value through other comprehensive income		**143,400**	134,400
Financial assets at fair value through profit or loss		**12,619**	17,426
Deferred tax assets		**82,925**	71,850
Total non-current assets		**1,815,895**	1,710,921
CURRENT ASSETS			
Inventories		**53**	51
Trade receivables	*9*	**432,924**	403,508
Contract assets		**1,444,267**	1,296,394
Properties under development		**979,063**	898,741
Completed properties held for sale		**825,426**	1,045,934
Prepayments, other receivables and other assets		**305,088**	240,620
Tax recoverable		**22,736**	36,456
Pledged deposits		**206,180**	248,580
Cash and cash equivalents		**213,719**	187,924
Total current assets		**4,429,456**	4,358,208

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		As at December 31	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
CURRENT LIABILITIES			
Trade payables	*10*	**1,923,212**	1,828,066
Other payables and accruals		**1,685,490**	1,778,726
Interest-bearing bank and other borrowings		**786,621**	540,562
Lease liabilities		**576**	806
Tax payable		**358,010**	375,071
Total current liabilities		**4,753,909**	4,523,231
NET CURRENT LIABILITIES		**(324,453)**	(165,023)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,491,442**	1,545,898
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**575,200**	505,000
Deferred tax liabilities		**61,744**	26,446
Lease liabilities		**–**	481
Total non-current liabilities		**636,944**	531,927
Net assets		**854,498**	1,013,971
EQUITY			
Equity attributable to owners of the parent			
Share capital		**7,281**	7,281
Reserves		**847,217**	1,006,690
Total equity		**854,498**	1,013,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. CORPORATE AND GROUP INFORMATION

China Tianbao Group Development Company Limited is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Windward 3, Regatta Office Park, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business in Hong Kong was located at Unit 3101-3102, Hong Kong Plaza, 186-188 Connaught Road West, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Group is mainly engaged in (i) construction contracting; (ii) property development and others; and (iii) healthcare.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Jixiang International Industrial Company Limited, which is a limited liability company incorporated in the British Virgin Islands.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRSs issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended December 31, 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern basis

As at 31 December 2024, the Group's net current liabilities amounted to RMB324,453,000 and its current portion of interest-bearing bank and other borrowings amounted to RMB786,621,000, among which, USD39,870,000 (equivalent to RMB286,421,000) was overdue, while its cash and cash equivalents amounted to RMB213,719,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In view of the above circumstances, the directors of the Company have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to operate as a going concern. The following plans and measures have been formulated to effectively manage the Group's working capital and enhance its financial position:

(a) The Group remains committed to generating positive operating cash flows for the next twelve months by implementing various strategies to improve the Group's income from construction contracting services, property development and healthcare services and putting extra efforts on the collection of outstanding trade receivables and contract assets;

(b) The Group remains committed to taking proactive financing measures to ensure that sufficient facilities are available from financial institutions and shareholders in the foreseeable future. With regard to the overdue other borrowings of RMB 286,421,000, the Company entered into a supplemental agreement with the lender on February 26, 2025. This agreement extends the maturity date of the borrowing on an installment basis to 2026 and 2028, subject to the fulfillment of certain pre-conditions. According to management's estimate, these pre-conditions are expected to be satisfied shortly;

(c) The Group remains committed to monitoring capital expenditure to balance and relieving cash resource to support operations and take action to tighten cost controls over various operating expenses;

(d) The Group remains committed to identifying suitable investors and engaging in discussions with certain potential investors regarding possible investments in specific property development and healthcare projects of the Group, with the aim of raising additional capital.

The directors of the Company have reviewed the Group's cash flow forecast covering a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended December 31, 2024 on a going concern basis.

Notwithstanding the above, given the volatility of the property market in China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. And the chief operating decision maker of the Group (the Executive Directors of the Company who are also directors of all operating subsidiaries) (the "CODM") reviews the revenue and results analysis of the Group on a regular basis.

During the year ended 31 December 2024, the CODM revisited and determined the healthcare services as one operating segment for the purpose of resource allocation and performance assessment, and therefore reclassified the existing two business segments into three reportable operating segments as follows:

(a) Construction contracting – this segment engages in the provision of services relating to construction as a general contractor for building construction projects, infrastructure construction projects and property investment;

(b) Property development and others – this segment engages in the sale of properties and the provision of services relating to properties; and

(c) Healthcare – this segment engages in the development of Tianbao Jingbei Health City into a continuing care retirement community.

Following the change in the composition of the Group's operating segments that in turn results in a change in the reportable segments, the segment information for the year ended 31 December 2023 is restated to conform to the current year's presentation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of profit before tax.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2024	**Construction contracting** *RMB'000*	**Property development and others** *RMB'000*	**Healthcare** *RMB'000*	**Total** *RMB'000*
Segment revenue				
Sales to external customers	**1,867,859**	**168,054**	**–**	**2,035,913**
Intersegment sales	**133,283**	**–**	**–**	**133,283**
Total segment revenue	**2,001,142**	**168,054**	**–**	**2,169,196**
Reconciliation:				
Eliminations of intersegment sales				**(133,283)**
Revenue				**2,035,913**
Segment results	**(31,937)**	**(110,293)**	**(1,616)**	**(143,846)**
Reconciliation:				
Eliminations of intersegment results				**3,837**
Loss before tax				**(140,009)**
Segment assets	**5,849,155**	**9,672,359**	**1,147,940**	**16,669,454**
Reconciliation:				
Eliminations of intersegment receivables				**(10,424,103)**
Total assets				**6,245,351**
Segment liabilities	**4,695,197**	**7,071,434**	**469,736**	**12,236,367**
Reconciliation:				
Eliminations of intersegment payables				**(6,845,514)**
Total liabilities				**5,390,853**
Other segment information:				
Depreciation and amortisation	**1,621**	**4,860**	**118**	**6,599**
Impairment losses on financial and contract assets, net	**69,429**	**2,582**	**–**	**72,011**
Capital expenditure*	**498**	**53**	**99,062**	**99,613**

Year ended 31 December 2023 (restated)	Construction contracting *RMB'000*	Property development and others *RMB'000*	Healthcare *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	2,169,878	546,711	–	2,716,589
Intersegment sales	168,379	–	–	168,379
Total segment revenue	2,338,257	546,711	–	2,884,968
Reconciliation:				
Eliminations of intersegment sales				(168,379)
Revenue				2,716,589
Segment results	65,174	(33,865)	(463)	30,846
Reconciliation:				
Eliminations of intersegment results				13,429
Profit before tax				44,275
Segment assets	5,138,459	9,621,567	1,063,077	15,823,103
Reconciliation:				
Eliminations of intersegment receivables				(9,753,974)
Total assets				6,069,129
Segment liabilities	3,938,026	6,932,788	473,011	11,343,825
Reconciliation:				
Eliminations of intersegment payables				(6,288,667)
Total liabilities				5,055,158
Other segment information:				
Depreciation and amortisation	1,576	6,370	–	7,946
Impairment losses on financial and contract assets, net	(22,669)	4,426	–	(18,243)
Capital expenditure*	791	906	45,656	47,353

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

Geographical information

(a) Revenue from external customers

The Group has derived substantially all of its revenue in the PRC, and hence, geographical information is not considered necessary.

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Hong Kong	**358**	835
Mainland China	**1,576,593**	1,486,410
Total non-current assets	**1,576,951**	1,487,245

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue of approximately RMB114,046,000 (2023: RMB176,445,000) was derived from sales by the construction contracting segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**2,023,145**	2,708,246
Revenue from other sources		
Gross rental income from operating leases:		
Other lease payments, including fixed payments	**12,768**	8,343
Total	**2,035,913**	2,716,589

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Construction contracting *RMB'000*	Property development *RMB'000*	Total *RMB'000*
Types of goods or services			
Construction contracting	**1,867,859**	**–**	**1,867,859**
Property development	**–**	**155,286**	**155,286**
Total	**1,867,859**	**155,286**	**2,023,145**
Geographical market			
Mainland China	**1,867,859**	**155,286**	**2,023,145**
Timing of revenue recognition			
Goods transferred at a point in time	**–**	**155,286**	**155,286**
Services transferred over time	**1,867,859**	**–**	**1,867,859**
Total	**1,867,859**	**155,286**	**2,023,145**

For the year ended 31 December 2023

Segments	Construction contracting *RMB'000*	Property development *RMB'000*	Total *RMB'000*
Types of goods or services			
Construction contracting	2,169,878	–	2,169,878
Property development	–	538,368	538,368
Total	2,169,878	538,368	2,708,246
Geographical market			
Mainland China	2,169,878	538,368	2,708,246
Timing of revenue recognition			
Goods transferred at a point in time	–	538,368	538,368
Services transferred over time	2,169,878	–	2,169,878
Total	2,169,878	538,368	2,708,246

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2024

Segments	**Construction contracting** *RMB'000*	**Property development** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with customers			
External customers	**1,867,859**	**155,286**	**2,023,145**
Intersegment sales	**133,284**	**–**	**133,284**
Subtotal	**2,001,143**	**155,286**	**2,156,429**
Intersegment eliminations	**(133,284)**	**–**	**(133,284)**
Total	**1,867,859**	**155,286**	**2,023,145**

For the year ended 31 December 2023

Segments	Construction contracting *RMB'000*	Property development *RMB'000*	Total *RMB'000*
Revenue from contracts with customers			
External customers	2,169,878	538,368	2,708,246
Intersegment sales	168,379	–	168,379
Subtotal	2,338,257	538,368	2,876,625
Intersegment eliminations	(168,379)	–	(168,379)
Total	2,169,878	538,368	2,708,246

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 *RMB'000*	2023 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction contracting	**261,239**	386,161
Property development	**60,371**	239,097
Total	**321,610**	625,258

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Construction contracting

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Property development

The performance obligation is satisfied when the customer obtains the physical possession or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**1,682,341**	1,953,341
After one year	**4,705,061**	5,913,934
Total	**6,387,402**	7,867,275

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, of which the performance obligations are to be satisfied within four years, while those related to property development are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income	**2,322**	3,134
Dividend income from equity investments designated at fair value through other comprehensive income	**8,612**	9,840
Government grants	**329**	289
Total other income	**11,263**	13,263
Loss		
Realised loss of financial assets at fair value through profit or loss	**(4,464)**	(12,357)
Others	**4,137**	4,330
Total loss	**(327)**	(8,027)
Total other income and gains, net	**10,936**	5,236

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
Cost of construction contracting	**1,760,671**	2,069,793
Cost of property development and others	**220,508**	484,883
Depreciation of property, plant and equipment	**5,379**	6,211
Depreciation of right-of-use assets	**982**	1,403
Amortisation of other intangible assets	**238**	332
Minimum lease payments under operating leases	**551**	104
Lease payments not included in the measurement of lease liabilities	**1,018**	1,442
Auditor's remuneration	**1,500**	1,600
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
– Wages, salaries and allowances	**13,530**	14,684
– Social insurance	**5,668**	11,566
– Welfare and other expenses	**528**	414
Total	**19,726**	26,664
Impairment of trade receivables, net	**52,255**	(36,035)
Impairment of contract assets, net	**14,351**	12,757
Impairment losses on financial assets included in prepayments, other receivables and other assets, net	**5,405**	5,035
Total	**72,011**	(18,243)
Changes in fair value of investment properties	**1,100**	100
Dividend income from equity investments designated at fair value through other comprehensive income	**(8,612)**	(9,840)
Interest income	**(2,322)**	(3,134)
Loss on disposal of items of property, plant and equipment, and prepaid land lease payments	**1,146**	409

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong during the year.

Subsidiaries of the Group operating in Mainland China were subject to the PRC corporate income tax rate of 25% in accordance with the PRC Corporate Income Tax during the year.

Land Appreciation Tax ("**LAT**") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

Certain subsidiaries with properties sold were subject to LAT which is calculated based on 5% of property revenue in accordance with the authorised taxation method approved by the respective local tax bureaus.

	2024	2023
	RMB'000	*RMB'000*
Current income tax	**11,571**	13,279
PRC LAT	**(8,224)**	821
Deferred income tax	**22,198**	19,185
Total tax charge for the year	**25,545**	33,285

7. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Interim – Nil (2023: Nil) per ordinary share	**–**	–

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 809,456,000 (2023: 809,456,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

The calculation of basic and diluted (loss)/earnings per share is based on:

	2024	2023
	RMB'000	*RMB'000*
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation	**(165,554)**	10,990

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic (loss)/earnings per share calculation	**809,456,000**	809,456,000

9. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**727,198**	645,527
Impairment	**(294,274)**	(242,019)
Net carrying amount	**432,924**	403,508

Trade receivables mainly represented receivables from construction contracting. The payment terms of contract work receivables are stipulated in the relevant contracts. The Group's trading terms with its customers are mainly on credit. The credit period offered by the Group is three to six months, except for retention receivable as detailed below. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

At the end of the reporting period, the due settlements of the Group's retention receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
Retentions included in trade receivables	**60,546**	64,452
Provision for impairment	**(30,982)**	(31,242)
Retentions included in trade receivables, net	**29,564**	33,210

An ageing analysis of the Group's trade receivables excluding retentions at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

Trade receivables without retention receivables

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**265,382**	262,008
1 year to 2 years	**118,310**	64,785
2 years to 3 years	**46,674**	107,085
3 years to 4 years	**102,620**	42,981
Over 4 years	**133,666**	104,216
Total	**666,652**	581,075

Retention receivables included in trade receivables represented the Group's unconditional right to receive upon completion of the warranty period of 1 to 5 years.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**276,022**	268,147
1 year to 2 years	**99,009**	56,324
2 years to 3 years	**31,012**	56,145
Over 3 years	**26,881**	22,892
Total	**432,924**	403,508

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**242,019**	278,054
Impairment losses, net	**52,255**	(36,035)
At end of year	**294,274**	242,019

10. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**656,863**	600,981
6 months to 1 year	**331,292**	234,926
1 to 2 years	**229,669**	323,458
2 to 3 years	**193,899**	88,369
Over 3 years	**511,489**	580,332
Total	**1,923,212**	1,828,066

Trade payables are non-interest-bearing and are normally settled based on the progress of construction.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a conglomerate integrating construction, property development, and healthcare operations based in Zhuozhou, Hebei Province, the PRC. The Group's business scope covers construction, planning and design, property development, property sales, investment and operation, healthcare services, and other multi-industry sectors.

The Group principally engages in the following businesses:

- Construction contracting business. As a construction company, the Group provides construction contracting services mainly as a general contractor for building construction projects, infrastructure construction projects, and industrial and commercial construction projects.

- Property development business. As a property developer, the Group focuses primarily on the development and sales of residential properties, and leasing and operation of an investment property.

- Healthcare business. As a healthcare service operator, the Group owns Tianbao Jingbei Health City for the purpose of developing a comprehensive Continuing Care Retirement Community to provide high-end medical and healthcare services for people in the Beijing-Tianjin-Hebei region.

FINANCIAL RESULTS

For the year ended December 31, 2024, the Group's revenue was approximately RMB2,036 million, representing a decrease of 25% comparing to RMB2,717 million in 2023.

The underlying loss of the Group was approximately RMB162 million (2023: the underlying profit of RMB31 million).

The reported loss of the Group amounted to approximately RMB166 million, and the reported profit amounted to approximately RMB11 million in 2023, mainly attributable to (i) the weak real estate market in China, resulting in a decrease in property revenue, gross profit, and delivered area; (ii) the stringent selection of projects with guaranteed recoverable funds in construction contracting business to ensure cash flow returns; (iii) the increase in impairment losses on properties under development and completed properties held for sale in the property development business, accounts receivable, contract assets, and other receivables; (iv) significant financial expenses arising from borrowings from financial institutions; and (v) fair value loss on investment properties.

Reconciliation of underlying (loss)/profit and reported (loss)/profit are as follows:

	For the year ended December 31	
	2024	2023
	RMB'000	*RMB'000*
Reported (loss)/profit	**(165,554)**	10,990
Fair value loss on investment properties	**1,100**	100
Realised loss of financial assets at fair value through profit or loss	**4,464**	12,357
Fair value (profit)/loss on financial assets at fair value through profit or loss	**(1,554)**	7,932
Underlying (loss)/profit	**(161,544)**	31,379

BUSINESS REVIEW

The Group's revenue for the year ended December 31, 2024 decreased by 25% to approximately RMB2,036 million (2023: RMB2,717 million).

The decrease in revenue from the construction contracting business was due to the Group's stringent selection of projects with guaranteed recoverable funds to ensure cash flow returns, resulting in a decline in business volume. The decrease in revenue of the property development business was mainly due to the decrease in amount of sales recognised after the completion of the property sales.

The Group's underlying loss was approximately RMB162 million (2023: underlying profit of approximately RMB31 million), which was primarily attributable to the fact that (i) the decrease in the sale volume of the construction contracting business led to a decrease in revenue and profit; (ii) the sales of property projects in 2024 were less than the sales in 2023; (iii) the impairment of financial and contract assets and fair value loss on investment properties in 2024 have significantly increased compared to 2023.

As at December 31, 2024, the net assets of the Group were approximately RMB855 million (2023: RMB1,014 million), bank deposits of approximately RMB420 million (2023: RMB437 million) and total bank and other loans of approximately RMB1,362 million (2023: RMB1,046 million). As at December 31, 2024, the net debt (being total borrowings minus bank deposits) of the Group was approximately RMB942 million (2023: RMB609 million).

The following table sets forth the breakdown of the Group's revenue by business segment for the years indicated:

	For the year ended December 31			
	2024		2023	
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue
Segment	***RMB'000***	***(%)***	*RMB'000*	*(%)*
Construction contracting business	**1,867,859**	**91.7**	2,169,878	79.9
Property development and other business	**168,054**	**8.3**	546,711	20.1
Total	**2,035,913**	**100.0**	2,716,589	100.0

Below is a review of each business segment of the Group.

(i) Construction Contracting Business

The Group has been engaged in the construction contracting business since 1998, as a general contractor for building, industrial, commercial and infrastructure construction projects. The Group generates the majority of its revenue from this business. For the year ended December 31, 2024, the Group generated the majority of its construction contracting revenue from construction projects located in Beijing-Tianjin-Hebei region, mainly in Hebei Province and in Beijing. The Group's construction projects in other geographical locations were mainly located in Inner Mongolia, Anhui Province, Shandong Province and Chongqing City. For the year ended December 31, 2024, the Group entered into new contracts with the aggregate value of approximately RMB2,328.8 million. As at December 31, 2024, the Group's aggregate backlog of construction projects was approximately RMB8,402.3 million.

The following table sets forth the breakdown of revenue from the Group's construction contracting business by geographical locations for the years indicated:

	For the year ended December 31			
	2024		2023	
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue
Region	***RMB'000***	***(%)***	*RMB'000*	*(%)*
Beijing-Tianjin-Hebei	**1,289,804**	**69.1**	1,175,745	54.2
Other	**578,055**	**30.9**	994,133	45.8
	1,867,859	**100.0**	2,169,878	100.0

During the Reporting Period, the Group undertook most of such construction projects as a general contractor. As a general contractor, the Group performs all major aspects of the construction project, including building construction, foundation works, curtain wall construction, building decoration and fireproofing projects. The Group is also responsible for engaging subcontractors to provide construction services and the labor force for the construction projects, coordinating the work of all parties, providing the major equipment and machinery, procuring raw materials and ensuring the timely completion of construction projects. The Group believes undertaking construction projects as a general contractor reflects its overall capabilities and is significant to the Group's continued success. Having obtained the Premium Class Certificate in 2017, the Group is, and expects to continue to be able to, undertake larger-scale building construction projects with increased complexity and higher returns nationwide, as well as charge a premium rate for the Group's services.

In addition to construction contracting as a general contractor, the Group also undertakes specialised construction projects directly subcontracted by other general contractors or project owners, such as renovation and decoration, steel structure construction and curtain wall construction projects.

Project Types

The following table sets forth the breakdown of revenue generated from the Group's construction contracting business by project type for the years indicated:

	For the year ended December 31			
	2024		2023	
Project type	**Revenue** ***RMB'000***	**Percentage of total revenue** ***(%)***	Revenue *RMB'000*	Percentage of total revenue *(%)*
Building construction	**599,015**	**32.1**	739,505	34.1
Industrial, commercial and infrastructure construction	**1,268,844**	**67.9**	1,430,373	65.9
Total	**1,867,859**	**100.0**	2,169,878	100.0

The Group provides construction contracting services for municipal and public infrastructure projects. The Group's infrastructure construction projects primarily consist of urban roads, bridges, facilities for water supply and treatment, urban pipelines, city squares and street lighting. The Group's infrastructure construction customers are primarily local government entities.

The Group is also undertaking industrial and commercial construction contracting projects. These projects mainly include steel structures, horticulture, buildings, industrial buildings, new pseudo-classic buildings and preservation of antiquities and historical buildings. The Group's industrial and commercial construction customers are enterprises in diverse industries.

The Group also provides construction work of buildings and corresponding building services for building construction projects. Building construction customers are primarily property developers and local government entities.

The following is a brief introduction to the Group's large-scale construction contracting projects this year:

Repair Project of Dongyue Temple in Longshui Town, Dazu District

The project is located on Chaoyang Road, Longshui Town, Dazu District, Chongqing City, which was built in Qing Dynasty and is a municipal cultural heritage site. The contract value is approximately RMB2 million. The project covers the repair of the main hall, wing, courtyard and wall and peripheral drainage of Dongyue Temple to restore the original appearance of cultural relics and ensure the protection and continuation of the historical features of ancient buildings.

Weijin Road Campus College Museum of Tianjin University Project

The project is located at the Weijin Road Campus College Museum of Tianjin University in Tianjin City, with a total GFA of 12,200 sq.m.. The contract value is approximately RMB74 million. The project covers the renovation of the Institute of Literature and Art and the protection works of 4 buildings.

Expansion Project of the Second People's Hospital in Yubei District, Chongqing City

The project is located in Yubei District, Chongqing City, with a total GFA of 45,500 sq.m.. The contract value is approximately RMB180 million. The main construction content includes the construction of the emergency department, outpatient department, medical technology department, inpatient department, and parking lot and other projects.

Earthwork, Revetment, Precipitation Project of Wangsiying Guanzhuang Industrial Park in Chaoyang District, Beijing City

The project is located in Wangsiying Village, Chaoyang District, Beijing City, with a total GFA of 305,000 sq.m., and a contract value of approximately RMB80 million. The project covers the construction of commercial office, scientific research centers with serviced apartments, and rental housing, etc.

Construction Project of the Smart Manufacturing Training Base for Integration of Industry and Education at Hebei Vocational University of Industry and Technology

The project is located on Hongqi Street, Shijiazhuang, Hebei Province, with a contract value of approximately RMB82 million. The project covers the construction of one smart manufacturing training base for integration of industry and education, with a total GFA of approximately 14,100 sq.m..

Phase II Supporting Municipal Project of Zhuozhou Cultural Industry Comprehensive Project of China Media Group in Jingnan Economic Development Zone, Zhuozhou, Hebei

The project is located in the Jingnan Economic Development Zone, Zhuozhou City, Hebei Province, with a contract value of approximately RMB103 million. The project covers the construction of comprehensive pipeline networks, including main water supply pipelines, rainwater pipelines, main sewage pipelines, gas pipelines, main electrical pipelines, and main communication pipelines, as well as traffic roads and other projects.

Baoding Zhongguancun Digital Economy Industrial Park

The project is located in High-Tech Development Zone, Baoding City, Hebei Province, with a contract value of approximately RMB127 million and a total GFA of approximately 51,000 sq.m.. The project covers the construction of five inspection and certification workshops and the second phase of underground garage engineering.

Backlog and New Contract Value

Backlog contract value

Backlog contract refers to an estimate of the contract value of work that remains to be completed as of a certain date. The contract value represents the amount that the Group expects to receive under the terms of the contract, assuming the contract is performed in accordance with its terms.

The following table sets forth the contract value of outstanding projects in the backlog by geographical locations as of the end of the Reporting Period:

	As of December 31			
	2024		2023	
Region	**Contract value** ***RMB million***	**Percentage of total contract value** ***(%)***	Contract value *RMB million*	Percentage of total contract value *(%)*
Beijing-Tianjin-Hebei	**3,136.1**	**37.3**	3,215.3	42.6
Other	**5,266.2**	**62.7**	4,327.3	57.4
	8,402.3	**100.0**	7,542.6	100.0

The following table sets forth the contract value of outstanding projects in the backlog by project types as of the end of the Reporting Period:

	As of December 31			
	2024		2023	
Project type	**Contract value** *RMB million*	**Percentage of total contract value** *(%)*	Contract value *RMB million*	Percentage of total contract value *(%)*
Building construction	**2,366.0**	**28.2**	2,867.0	38.0
Industrial, commercial and infrastructure construction	**6,036.4**	**71.8**	4,675.6	62.0
	8,402.3	**100.0**	7,542.6	100.0

New Contract Value

New contract value represents the aggregate value of contracts entered into by the Group during the Reporting Period. The contract value is the amount that the Group expects to receive under the terms of the contract if the contract is performed by the Group in accordance with its terms.

The following table sets forth the aggregate value of new contracts entered into by the Group by geographical locations for the years indicated:

	For the year ended December 31			
	2024		2023	
Region	**Contract value** *RMB million*	**Percentage of total contract value** *(%)*	Contract value *RMB million*	Percentage of total contract value *(%)*
Beijing-Tianjin-Hebei	**1,406.3**	**60.4**	989.8	49.8
Other	**922.5**	**39.6**	999.7	50.2
	2,328.8	**100.0**	1,989.5	100.0

The following table sets forth the aggregate value of new contracts entered into by the Group by project types for the years indicated:

	For the year ended December 31			
	2024		2023	
Project type	**Contract value** ***RMB million***	**Percentage of total contract value** ***(%)***	Contract value *RMB million*	Percentage of total contract value *(%)*
Building construction	**307.8**	**13.2**	419.7	21.1
Industrial, commercial and infrastructure construction	**2,021.0**	**86.8**	1,569.8	78.9
	2,328.8	**100.0**	1,989.5	100.0

After obtaining the Premium Class Certificate in 2017, the Group has been involving in larger-scale building construction projects with increased complexity and higher returns nationwide. The value of the new contracts entered into by the Group amounted to RMB2,328.8 million for the year ended December 31, 2024. The Group expanded the construction contracting business to regions other than Beijing-Tianjin-Hebei region during the year, including Anhui Province, Inner Mongolia and Shandong Province.

(ii) Property development and other business

The Group's property development business consists of (i) the development and sales of residential properties; and (ii) leasing and operation of investment properties. The revenue of the Group is derived from sales of residential properties and rental income from investment properties. As of December 31, 2024, the Group had a diverse portfolio of 20 property projects consisting of 17 residential and commercial properties, 2 investment properties and 1 hotel, which are all owned and developed by the Group. Among the 20 property projects, 7 projects are located in Zhuozhou and the remaining 13 projects are located in Zhangjiakou. Among these 20 projects, 14 projects were completed, 3 projects were under construction and 3 projects were held for future development. As of December 31, 2024, the Group had land reserves with a total GFA of approximately 1,000,500 sq.m., including (i) completed properties with a total unsold saleable GFA of approximately 183,720 sq.m. and a rentable GFA held for property investment of approximately 78,700 sq.m., accounting for approximately 26.2% of the Group's total land reserves; (ii) properties under development with a total planned GFA of approximately 152,139 sq.m., accounting for approximately 15.2% of the Group's total land reserves; and (iii) properties held for future development with a total planned GFA of approximately 585,941 sq.m., accounting for approximately 58.6% of the Group's total land reserves.

The table below sets forth a breakdown of the revenue from property development business by business line and nature of income for the years indicated:

		For the year ended December 31			
		2024		2023	
Business line	**Nature of income**	**Revenue** ***RMB'000***	**Percentage of total revenue** ***(%)***	Revenue *RMB'000*	Percentage of total revenue *(%)*
Property development and sales	Sales of residential properties	**155,286**	**92.4**	538,368	98.5
Commercial property investment and operations	Rental income	**12,768**	**7.6**	8,343	1.5
Total		**168,054**	**100.0**	546,711	100.0

The Group's land reserves are mainly located in Zhuozhou and Zhangjiakou which have high development potential. The following is a brief introduction of such projects of the Group:

Projects in Zhuozhou

Tianbao Green City (天保綠城)

Located on the north side of Guanyun Road and the west side of Xuyi Village in Zhuozhou, the project covers a total site area of 33,764.1 sq.m.. The project has convenient transportation facilities connecting Beijing-Shijiazhuang High-speed Railway and Beijing-Hong Kong-Macao Expressway. The GFA of the project is approximately 105,000 sq.m., including high-rise residential buildings, commercial properties and parking lots. As of December 31, 2024, 874 units have been launched and 840 units have been sold for Tianbao Green City.

Tianbao Xinyue Bay (天保馨悅灣) (also known as Project Ming Yang Phase I) (明陽一期)

The project is located in Beixiguo Village, Matou Town, Zhuozhou, with convenient surrounding transportation facilities. The project can be reached through the Beijing-Hong Kong-Macao Expressway and the Beijing-Shijiazhuang High-speed Railway. The project covers a site area of approximately 17,593.3 sq.m.. 1# and 3# buildings have a GFA of approximately 48,000 sq.m., including a total of 480 high-rise residential units. As of December 31, 2024, 439 units have been sold for 1# and 3# buildings. The project has been delivered to purchasers in batches since 2020. 2# building has a GFA of 7,243.0 sq.m., including a total of 56 high-rise residential units. 2# building is currently in the construction stage and is scheduled to be delivered in 2027.

Tianbao Smart Building Technology Park (天保智慧建築科技園)

The project is located at the intersection of Yongji East Road and Pengcheng Street in Zhuozhou. It covers a site area of 58,610.9 sq.m. and a GFA of approximately 310,000 sq.m.. The project is about 6 kilometers from Zhuozhou High-speed Railway Station, about 17 kilometers from Beijing Daxing International Airport and about 1 kilometer from Zhuozhou City Terminal of Beijing Daxing International Airport. This project is a high-end complex integrating business office, corporate headquarters office, commerce, micro-movie bar, catering and conferences. There are approximately 4,100 units in this project, and currently its main parts are under construction stage. As of December 31, 2024, 934 units have been launched and 437 units have been sold for this project.

Baoxin International Building (保鑫國際大廈)

The project is located at No. 33 Guanyun East Road, Zhuozhou Development Zone. It covers a total site area of 17,792.4 sq.m., with a total GFA of approximately 50,039.7 sq.m.. Baoxin International Building is a comprehensive commercial building integrating office and business functions. After the completion of the project, it has won many awards, including the "Luban Prize" of the construction industry in 2018 and the "Guang Xia Award" of the property development industry in 2019. Baoxin International Building has contributed stable rental income to the Group.

Projects in Zhangjiakou

Tianbao New City (天保新城)

The project is located in the core area of Zhangbei County, at the intersection of Zhongdu Street and Xinghe Road in Zhangbei County. It covers a site area of approximately 230,000 sq.m., with a total GFA of approximately 600,000 sq.m.. The project is developed and constructed in three phases, mainly high-rise and middle-high-rise buildings, consisting of 46 residential buildings, community clubs, kindergartens and a large-scale commercial complex Zhongdu Ginza. As of December 31, 2024, the residential units of Tianbao New City were basically sold out, and few remaining street shops are on sale.

Tianbao New City – Zhangbei Zhongdu Ginza (天保新城－張北中都銀座)

The project is located in the northwest of the residential area of Tianbao New City, mainly consisting of two high-rise apartments, office buildings and commercial podiums, being a landmark building in Zhangbei County. The project is a comprehensive high-end commercial building integrating shopping malls, cinemas, catering, conferences, offices, hotels, leisure, business and other functions, with a total GFA of approximately 86,690.5 sq.m.. The mall portion of the project, named Tianbao Plaza, is a 5-storey diversified shopping hotspot with supermarkets, lifestyle stores, restaurants and cinemas, and officially opened in 2022. High-rise apartments started pre-sale in September 2020, with the portions sold to be delivered to purchasers since 2021. As of December 31, 2024, a total of 346 units have been delivered.

Zhangbei Fuxinyuan Shanty-town Improvement Project (張北縣福馨苑棚戶區改造項目)

Fuxinyuan residential community is project constructed in response to Zhangbei County Government's shanty-town reconstruction project, located on the north side of Zhangbei County Family Planning Bureau and east of Jingdu Street. The construction of the project started in September 2017 with a total of 1,272 units. The project has been completed in 2020 and started to be delivered to purchasers on the same year. There are 1,252 residential units and 20 commercial units available for sale. As of December 31, 2024, 1,171 residential units were sold.

Tianbao Edelweiss City (天保雪絨花都)

The project is a residential and commercial project located on the north side of Yu County Economic Development Zone, with urban planning roads in the south, Edelweiss Avenue in the north, Industrial Street in the east and urban planning roads in the west. It consists of residential communities and commercial facilities. The project covers a site area of approximately 155,000 sq.m., with a total GFA of approximately 430,000 sq.m.. Star-rated hotels, AAAAA-level office buildings and high-end communities will be built to create a multi-functional and high-efficiency urban complex integrating commercial offices, landmark buildings, residence, catering and entertainment. Tianbao Edelweiss City has 1,942 residential units available for sale, of which pre-sale of Phase I and Phase II residential units launched in 2019 and 2021, respectively, and pre-sale of Phase III, comprising a total of 85 commercial units, launched in 2021, and were successively delivered to purchasers in the 4th quarter of the same year. As of December 31, 2024, a total of 1,345 units have been sold.

Tianbao Boyue Bay (天保鉑悦灣)

The project is located in the southwest of the urban area of Yu County, with West Outer Ring Road in the east, Qianjin West Road in the west, Heping West Road in the south and Lipuzi Village in the north. The project includes middle-high-rise residential units, high-rise residential units and commercial properties, covering a site area of approximately 81,815 sq.m. and a total planned GFA of approximately 193,000 sq.m.. The construction work of the project started in 2019, and the pre-sale began in 2020. Tianbao Boyue Bay has a total of 1,836 residential units available for sale, and were successively delivered to purchasers in the first half of 2022. As of December 31, 2024, 1,334 units have been sold.

Tianbao Jingxifu (天保京西府)

The project is located in Nanfanzhuang Village, Yuzhou Town, Yu County, Zhangjiakou. The Group acquired the land for this project through public bidding in September 2021. The project has a site area of approximately 43,242 sq.m. and a planned GFA of approximately 86,000 sq.m..

Nasutu Hotel (那蘇圖酒店) (formerly known as Haiziwa Hotel) (海子窪酒店)

The project is a wholly self-owned project located in Zhangbei County, Zhangjiakou. As of December 31, 2024, the project has obtained all certificates. Conveniently located near Nasutu resort in Zhangjiakou, Hebei Province, Nasutu Hotel occupies a total site area of approximately 52,237 sq.m. and an aggregate GFA of approximately 33,967.5 sq.m. with a total of 180 guest rooms. As of December 31, 2024, the project was underway.

Land Reserves

The following table sets out the GFA breakdown of the Group's land reserves by geographical location as of December 31, 2024:

	Completed		Under development	Future development	Total land reserves	
Region	**Unsold saleable GFA**	**Rentable GFA held for property investment**	**Planned GFA under development**	**Planned GFA**	**Total GFA**	**Percentage of total land reserves by geographical location**
	(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Zhuozhou	22,304	44,336	141,901	175,435	383,976	38.4
Zhangjiakou	161,416	34,364	10,238	410,506	616,524	61.6
Total	183,720	78,700	152,139	585,941	1,000,500	100.0

Commercial Property Investment and Operations

The Group owns and operates Baoxin International Building and Tianbao Plaza, which the Group developed for long-term investment purposes. The Group holds these properties for capital appreciation and rental income.

(iii) Healthcare business

China has entered an ageing society since 2000, and the proportion of the elderly population in the total population has continued to rise, and the pace of ageing development has gradually accelerated. The rapid growth of the ageing population has created a huge demand for elderly care services. In 2021, the proportion of permanent residents aged 60 and above in Beijing exceeded 20% for the first time, officially entering a moderately ageing society. In 2022, the proportion of permanent residents aged 60 and above in Beijing reached 21.3%. In 2023, the proportion of permanent residents aged 60 and above in Beijing reached 22.6%, which was 1.5 percentage points higher than the national average, further deepening the ageing population. The development level of Beijing's economy and residents' income is relatively high, ranking first among provincial-level regions in China, and residents have strong purchasing power and high service requirements for elderly care services.

In recent years, the Chinese government has proposed to actively respond to the aging population, and the healthcare industry, as an industrial integration to implement major strategies, is regarded as a new engine to promote the well-being of people and the adjustment of industrial structure, and is also regarded as a "big prescription" for the construction of a healthy China. Therefore, the elderly care industry has become one of the key support directions of national policies, and the central and local governments have intensively introduced various supporting policies for the elderly care industry.

In January 2024, the General Office of the State Council issued the No. 1 Notice on the Opinions on the Development of the Silver Economy and the Improvement of the Well-being of the Elderly (《關於發展銀髮經濟增進老年人福祉的意見》), proposing to promote the synergy of the healthcare industry, accelerate the scale, standardization, clustering and brand-oriented development of the silver economy, so that the elderly can share the development achievements and enjoy the happiness in the old age. It points out that (i) optimizing elderly health services. Our country will strengthen the construction of geriatrics in general hospitals and traditional Chinese medicine hospitals, improve the level of geriatric disease prevention and control, and promote the transformation of scientific research achievements in the field of geriatric health; (ii) improving elderly care services. Our country will guide local governments to provide differentiated subsidies for ordinary and nursing beds in elderly care institutions, strengthen the construction and transformation of elderly care institutions to enhance their care service capabilities for disabled elderly people, and appropriately add special care areas for the elderly with cognitive impairment; (iii) promoting the development of industrial clusters. In some regions such as Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu, Chongqing, it is planned to deploy about 10 high-level industrial parks of silver economy to promote cross-regional and international cooperation in the field of silver economy.

In April 2024, the General Office of the People's Government of Hebei Province issued the Notice on Printing and Distributing Several Measures to Support the Development of the Healthcare Industry in Hebei Province (《關於印發河北省支持康養產業發展若干措施的通知》), proposing several measures to accelerate the extension of Beijing-Tianjin elderly care projects to Hebei and to assist the high-quality development of healthcare industry in Hebei Province. It pointed out that (i) strengthening fiscal and financial support. Our country will innovate financial services, assist the transformation of the real estate industry, support the transformation of idle commercial and other venues, enrich elderly financial products and promote the implementation of inclusive elderly special refinancing actions. Furthermore, our country will better leverage the role of the Hebei Industrial Investment Guidance Fund, subsidize the construction and operation of elderly institutions and support silver economy industry projects; (ii) improving land use guarantee measures. Our country will reduce property acquisition costs for institutions and safeguard land for healthcare projects; (iii) enhancing medical service capabilities. Our country will strengthen cooperation with tertiary hospitals in Beijing and Tianjin, promote the organic integration of healthcare and elderly care, enhance the level of platform services and promote the integrated development of "healthcare + cultural tourism"; (iv) advancing talent team development. Our country will cultivate professional talents in healthcare, promote stable development of the talent team and enhance the level of professional skills; (v) strengthening comprehensive support facilities. Our country will promote synergy in healthcare services, encourage the application of technological innovation and enhance brand promotion and marketing.

In December 2024, the National Health Commission, the Ministry of Civil Affairs, the National Healthcare Security Administration, the National Administration of Traditional Chinese Medicine, and the National Disease Control and Prevention Administration issued the Guiding Opinions on Promoting High-Quality Development of Integrated Healthcare and Elderly Care Services (《關於促進醫養結合服務高品質發展的指導意見》). In order to promote the high-quality development of integrated healthcare and elderly care services and to advance the realization of healthy aging, continuously enhancing the sense of health and elderly care acquisition among the elderly, specific opinions are provided from four aspects. (i) integrated healthcare and elderly care institutions are required to establish a quality-first mindset, strengthen the primary responsibility for quality and safety management, and fully implement diagnostic norms and industry standards. Our country will incorporate medical and health services of elderly care institutions into the quality and safety management system, and encourage eligible integrated healthcare and elderly care institutions to be included in the unified management of close-knit medical alliances. (ii) enhancing service quality and efficiency. Our country will promote the team service model by establishing a service team composed of practicing (assistant) physicians, registered nurses, rehabilitation therapists, and others to provide comprehensive and continuous health services. Our country will deepen the cooperation between medical and healthcare institutions and elderly care institutions, and increase the support for medical insurance. It will develop home community services, promote the "Internet + integration of healthcare and elderly care", and leverage the advantages of traditional Chinese medicine. (iii) strengthening team building. Our country will guide graduates from related fields such as medical, nursing, and healthcare management to seek employment at integrated healthcare and elderly care institutions, and support retired medical personnel in working at integrated healthcare and elderly care institutions. Our country will broaden the talent development and training pathways by integrating academic cultivation with institutional training. (iv) ensuring service security. Integrated healthcare and elderly care institutions are required to establish a comprehensive medical service quality and safety management system, strictly implement the core system of medical quality and safety, and effectively conduct infectious disease prevention and control.

Tianbao Jingbei Health City

The Group seized the opportunity of the aging population in Beijing and the elderly healthcare industry in Beijing undertaken by Hebei Province, and therefore, decided to transform Jingbei Health City into a comprehensive Continuing Care Retirement Community, contributing to the integration of Beijing-Tianjin-Hebei healthcare.

The project is located in Tumu Village, Tumu Town, Yanshan Cultural New City, Huailai County, Hebei Province, adjacent to Guanting Lake to enjoy unique and spectacular scenery and within easy reach of Beijing-Xizang Expressway, Beijing-Xinjiang Expressway, Beijing-Chongli Expressway, 110 National Highway and Beijing-Zhangjiakou High-speed Railway to enjoy the capital's half-an-hour life circle. The project will consist of four major components, namely hospitals, nursing centres, elderly care communities and elderly care science and technology industrial zones. A Continuing Care Retirement Community will be established to enable the elderly to continue living in a familiar environment and receive care services corresponding to their physical condition when their health conditions and self-care ability change by providing them with self-care, device-aide and nursing-care integrated living facilities and services. The project has a site area of approximately 200,000 sq.m.; the hospital has a total GFA of approximately 55,700 sq.m., and the nursing centres and the elderly care centres have a total GFA of approximately 450,000 sq.m.. It is expected to provide 350 beds for medical treatment and 8,500 beds for the elderly healthcare. The total investment of the project is approximately RMB2.55 billion, of which as of December 31, 2024, approximately RMB1.13 billion has been invested. The project will be constructed in two phases, with the first phase comprising hospitals, 5 nursing centres and 13 blocks of elderly care community residence and the second phase including 21 blocks of elderly care community residence. Currently, the first phase of hospitals, 5 nursing centres and the part of the 13 blocks of elderly care community residence have been finished. It is expected to commence business in the second quarter of 2025, providing 350 beds for medical treatment and 4,000 beds for the elderly healthcare, as well as hospital visits and care services for the elderly. Construction of the second phase is planned to commence in the first quarter of 2026 and is expected to be completed by the end of 2026 to mid-2027. Jingbei Health City is committed to building the project into the largest mid-to-high-end healthcare industrial city in northwest Beijing.

FINANCIAL REVIEW

1. Revenue

The revenue of the Group was primarily derived from two business segments: (i) construction contracting business; and (ii) property development business. Total revenue of the Group decreased by 25% from approximately RMB2,717 million for the year ended December 31, 2023 to approximately RMB2,036 million for the year ended December 31, 2024.

1.1 Construction contracting business

The revenue of the Group's construction contracting business was primarily derived from the construction contracting services provided by the general contractors of building construction projects, infrastructure construction projects and industrial and commercial construction projects.

The overall decrease in the revenue from the Group's construction contracting business was primarily attributable to in the Group's stringent selection of projects with guaranteed recoverable funds in construction contracting business to ensure cash flow returns, resulting in a decrease in the construction volume and revenue. The revenue from this segment decreased by 13.9% from approximately RMB2,170 million for the year ended December 31, 2023 to approximately RMB1,868 million for the year ended December 31, 2024.

1.2 Property development business

The Group's revenue from property development business comprises sales of properties and rental income. Revenue from sales of properties is recognised only after properties have been sold to purchasers and after satisfying the requirements for delivery as stipulated in the purchase agreements. Consistent with industry practice, the Group usually enters into purchase agreements with purchasers while the properties are under development and fulfil the conditions for presales in accordance with PRC laws and regulations.

The aggregate GFA delivered decreased from approximately 112,000 sq.m. for the year ended December 31, 2023 to approximately 37,400 sq.m. for the year ended December 31, 2024 and the recognised revenue decreased from approximately RMB538 million for the year ended December 31, 2023 to approximately RMB155 million for the year ended December 31, 2024. The delivery area of various real estate projects for the year generally decreased compared to 2023.

The rental income of the Group was primarily derived from lease of commercial investment properties. The Group holds these commercial investment properties for capital appreciation and leases them to generate rental income. As of December 31, 2024, the Group held one commercial investment property, Baoxin International Building and one shopping mall, Tianbao Plaza, with a total rentable GFA of 78,700.4 sq.m..

2. Cost of sales

The Group's costs of sales primarily represent the costs incurred in the construction contracting service rendered by the Group and the costs of property development and sales. The cost for construction contracting services primarily includes labor costs, raw material costs, machinery costs, subcontracting costs and other costs. The cost for property development business primarily includes land costs, construction costs and rent costs.

The Group's cost of sales decreased from approximately RMB2,555 million for the year ended December 31, 2023 to approximately RMB1,981 million for the year ended December 31, 2024, representing a decrease of 22.5%, which was in line with the changes of construction contracting business and property development business of the Group.

3. Gross profit and gross profit margin

The following table sets forth a breakdown of gross profit and gross profit margin by business segment for the years indicated:

	For the year ended December 31					
	2024			2023		
	Gross profit	**Percentage of gross profit**	**Gross profit margin**	Gross profit	Percentage of gross profit	Gross profit margin
	RMB'000	***(%)***	***(%)***	*RMB'000*	*(%)*	*(%)*
Segment						
Construction contracting business	**107,188**	**N/A**	**5.7**	100,085	61.8	4.6
Property development business	**(54,454)**	**N/A**	**(31.2)**	61,828	38.2	11.3
Total	**54,734**	**N/A**	**2.7**	161,913	100.0	6.0

The Group's gross profit decreased from approximately RMB162 million for the year ended December 31, 2023 to approximately RMB55 million for the year ended December 31, 2024, representing a decrease of 66.2%. The gross profit of the Group's construction contracting business increased from approximately RMB100 million for the year ended December 31, 2023 to RMB107 million for the year ended December 31, 2024, with the gross profit margin remaining stable. The property development business recorded a loss. In addition to the selling price being lower than the cost, the Group made an impairment provision of approximately RMB39 million for properties under development and completed properties held for sale in the property development business. Based on the above reasons, for the year ended December 31, 2024, the gross profit margin of the Group was approximately 2.7%.

4. Other income and gains

The Group's other income and gains included the dividend income received from equity investments designated at fair value through other comprehensive income of approximately RMB9 million (2023: RMB10 million) and realised loss of financial assets at fair value through profit or loss of approximately RMB4 million (2023: RMB12 million).

5. Selling and distribution expenses

The Group's selling and distribution expenses primarily consist of (i) advertising, marketing and business development expenses; and (ii) staff costs in relation to our salespersons.

Most of the selling and distribution expenses were capitalised to property development projects during the year.

6. Administrative expenses

The Group's administrative expenses primarily consist of staff costs in relation to the Group's administrative personnel, office expenses, depreciation and amortisation, traveling and other expenses.

The Group's administrative expenses decreased by 5.9% from approximately RMB61.2 million for the year ended December 31, 2023 to approximately RMB57.6 million for the year ended December 31, 2024. Staff costs (including Directors' remuneration) amounted to approximately RMB23.4 million (2023: RMB30.2 million). The Group exercised stringent cost control, resulting in a decrease in administrative expenses.

7. Impairment losses on financial assets and contract assets, net

The Group performs an impairment analysis as of December 31, 2024 using a provision matrix to measure expected credit losses ("ECLs"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs.

For the year ended December 31, 2024, the Group's impairment on financial assets amounted to approximately RMB72.0 million (2023: reversal of impairment of RMB18.2 million), primarily due to the Group's consideration of the impairment needs of financial and contract assets on a prudent basis.

8. Finance costs

The Group's finance costs primarily represent interest expenses on bank and other loans less the capitalised cost of interest on relevant loans incurred for property development.

The Group's finance costs increased by 2.4% from approximately RMB71.5 million for the year ended December 31, 2023 to approximately RMB73.2 million for the year ended December 31, 2024. The Group obtained bank and other borrowings with lower cost in 2024, which can allow interest expenses incurred from them to remain stable.

9. Income tax expenses

The Group's income tax expenses include payments and provisions made for corporate income tax and land appreciation tax ("LAT") by the PRC subsidiaries of the Group.

The Group's income tax expenses decreased from the provision of approximately RMB33.3 million for the year ended December 31, 2023 to the provision of approximately RMB25.5 million for the year ended December 31, 2024, which was mainly due to the reversal of LAT previously provided for the property development business of the Group.

10. Underlying loss for the year

For the year ended December 31, 2024, the Group's underlying loss amounted to approximately RMB162 million, as compared to the underlying profit of approximately RMB31 million for the year ended December 31, 2023.

LIQUIDITY, FINANCE AND CAPITAL

The Group has historically met its liquidity requirements through cash flows from operations and bank and other borrowings. The Group's primary liquidity requirements are to finance working capital, fund capital expenditures and provide capital for the growth and expansion of operations. The Group expects these sources to continue to be its principal sources of liquidity.

Cash position

As at December 31, 2024, the Group's total deposits, cash and cash equivalents amounted to approximately RMB420 million (2023: RMB437 million), which are denominated in RMB and Hong Kong dollars, respectively, including pledged deposits of approximately RMB206 million as at December 31, 2024 (2023: RMB249 million).

Future plans for material investments and acquisition of capital assets

There was no material acquisition and disposal of subsidiaries and assets by the Group during the Reporting Period.

As at the date of this announcement, the Group did not have any major future investment plans. The relevant major investment plan will be announced in a timely manner if the Group thinks fit.

Significant investments held

For the year ended December 31, 2024, the Group did not hold any significant investments.

Loan and pledge of assets

	As of December 31					
	2024			2023		
	Effective interest rate *(%)*	**Maturity**	***RMB'000***	Effective interest rate *(%)*	Maturity	*RMB'000*
Current						
Secured other borrowings	**12.0**	**Over due**	**250,479**	12.0	Over due	274,390
Unsecured other borrowings	**12.0**	**Over due**	**35,942**	12.0	Over due	35,172
Current portion of secured long-term bank borrowings	**5.20-6.65**	**2025**	**500,200**	5.25-6.65	2024	231,000
			786,621			540,562
Non-current						
Secured bank borrowings	**3.00-6.65**	**2026-2041**	**575,200**	5.25-8.70	2025-2026	505,000
			1,361,821			1,045,562

The table below sets out the maturity of the interest-bearing bank and other borrowings of the Group as of the dates indicated:

	As of December 31	
	2024	2023
	RMB'000	*RMB'000*
Bank and other borrowings repayable:		
Within one year or on demand	**786,621**	540,562
In the second year	**174,800**	503,000
In the third to fifth years, both inclusive	**–**	2,000
After five years	**400,400**	–
Total	**1,361,821**	1,045,562

The Group's interest-bearing bank and other borrowings are all denominated in RMB and US dollars.

The Group's interest-bearing bank and other borrowings are secured by various assets with aggregate carrying amounts as follows:

	As of December 31	
	2024	2023
	RMB'000	*RMB'000*
Investment properties	**238,600**	239,700
Properties under development	**184,986**	135,981
Property, plant and equipment	**1,048,072**	486,805
Right-of-use assets	**7,662**	7,891

On February 26, 2025, the Group entered into a supplemental agreement with the financial institution to extend the maturity date of an other borrowings approximately USD39,870,000 (equivalent to RMB286,421,000) for up to 36 months, with the interest rate to be reduced to 8%, upon certain pre-conditions to be satisfied.

Key financial ratios

The table below sets forth a summary of the Group's key financial ratios as of the dates or for the periods indicated:

		As of December 31 or for the year ended December 31	
	Notes	**2024**	2023
Current ratio (times)	*1*	**0.93**	0.96
Gearing ratio (%)	*2*	**159.4**	103.1
Net gearing ratio (%)	*3*	**110.2**	60.1
Return on equity (%)	*4*	**(17.7)**	1.1
Return on total assets (%)	*5*	**(2.7)**	0.2
Gross profit margin (%)	*6*	**2.7**	6.0
Net profit margin (%)	*7*	**(8.1)**	0.4

Notes:

1. Current ratios were calculated based on the total current assets as of the respective dates divided by the total current liabilities as of the respective dates.

2. Gearing ratios were calculated by total interest-bearing bank and other borrowings as of the respective dates divided by total equity as of the respective dates and multiplied by 100%.

3. Net gearing ratios were calculated as total interest-bearing bank and other borrowings as of the respective dates less cash and bank balances and pledged deposits as of the respective dates, divided by total equity as of the respective dates and multiplied by 100%.

4. Return on equity was calculated based on the reported (loss) profit for the respective periods divided by the average total equity as of the respective periods (sum of opening and closing balances of the total equity of the respective periods and then divided by two) and multiplied by 100%.

5. Return on total assets was calculated based on the reported (loss) profit for the respective periods divided by the average total assets of the respective periods (sum of opening and closing balances of the total assets of the respective periods and then divided by two) and multiplied by 100%.

6. Gross profit margin was calculated on gross profit divided by revenue for the respective periods.

7. Net profit margin was calculated on reported (loss) profit for the year divided by revenue for the respective periods.

Commitments

Operating Lease Commitments

The Group as a lessor

The Group leases its investment properties under operating lease arrangements with lease terms negotiated ranging from one to ten years. At the end of the Reporting Period, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024	2023
	RMB'000	*RMB'000*
Within one year	**10,366**	9,610
In the second to fifth years, both inclusive	**32,050**	34,145
After five years	**7,132**	7,813
	49,548	51,568

Capital Commitments

The Group had the following capital commitments at the end of the Reporting Period:

	2024	2023
	RMB'000	*RMB'000*
Contracted, but no provision has been made:		
Construction contracting	**258,616**	261,912

Contingent Liabilities

Mortgage guarantee

The Group has provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB1,713.4 million (2023: RMB1,789.4 million) as of December 31, 2024. The Group's guarantee period starts from the dates of the grant of relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The Directors consider that the fair value of the guarantees is not significant, and in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties. Therefore, no provision for the guarantees has been made during the Reporting Period.

OTHERS

1. Events after the Reporting Period

At at December 31, 2024, the Company has outstanding other borrowings with principal amount of USD39,870,000 due and unpaid to certain lenders.

On January 8, 2025, the Company entered into the Subscription Agreement with one of the lenders ("**Subscriber**") to allot and issue 68,480,000 shares at the price of HK$0.408 per share. The Subscriber will settle the subscription price by setting off the partial debts (including the accrued interest) borrowed by the Company from the Subscriber. Such shares were fully allotted and issued on January 15, 2025.

On February 26, 2025, the Company entered into a supplemental agreement with the lenders to extend the maturity date of the borrowings on an installment basis to 2026 and 2028, subject to the fulfillment of certain pre-conditions. As at the date of the announcement, certain pre-conditions have not been satisfied.

2. Foreign Currency Risk

The Group primarily operates in the PRC. The majority of the Group's transactions were denominated and settled in RMB. Currently, the Group had not entered into any hedging activities aimed at or intended to manage our exposure to foreign exchange risk and did not use any financial instruments for hedging purposes. The Group will continue to monitor foreign exchange activities and safeguard the cash value of the Group with its best effort.

3. Interest Rate Risk

The Group's interest rate risk arises from interest-bearing bank and other deposits and bank and other borrowings. Bank deposits and bank and other borrowings issued at variable rates expose the Group to cash flow interest rate risk. Bank and other borrowings bearing an interest at fixed rates expose the Group to fair value interest rate risk.

4. Corporate Governance

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code as its own code of corporate governance.

The Company has been in compliance with all applicable code provisions under the Corporate Governance Code. To the best knowledge of the Directors, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, except for the deviation from provision C.2.1 of the Corporate Governance Code during the Reporting Period and until March 19, 2025. The Directors will endeavor to procure the Company to continue to comply with the Corporate Governance Code.

A review of the corporate governance of the Group, as well as the rectification on March 19, 2025 to comply with provision C.2.1 of the Corporate Governance Code, is set out in the section headed "Compliance with Corporate Governance Code".

5. Material Acquisitions and Disposals

During the year ended December 31, 2024, save as disclosed in "Future plans for material investments and acquisition of capital assets" in this section, there was no material acquisition and disposal of subsidiaries and assets by the Group.

6. Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as a code for the Directors to deal in securities of the Company.

After making specific enquiries to all Directors, each of the Directors has confirmed that he/she has complied with the required standards set out in the Model Code during the year ended December 31, 2024.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company during the year ended December 31, 2024.

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

During the year ended December 31, 2024, the Company and any of its subsidiaries did not purchase, sell or redeem any securities of the Company listed on the Stock Exchange.

FUTURE PROSPECT

Construction Contracting Business

Tianbao Construction Group Company Limited will consistently adhere to the general development principle of "seeking progress while maintaining stability", solidify the management system, enhance qualification upgrade, optimize market layout, and build high-quality architectural products. It will closely follow the national strategy and explore diversified development of "Construction+".

Property Business

Tianbao Real Estate Group Co., Ltd. will continue to adhere to the principle of "stability first", explore joint development models of real estate projects, emphasize the recovery of sales capital, complete the clearance of outdated products, revitalize stock, optimize increments, improve the quality of projects, and seek transformation and upgrading of the real estate segment.

Healthcare Business

With the goal of creating a "Benchmark around Beijing" high-end healthcare community, we will complete the deep integration of the three major segments: comprehensive hospital, nursing care and elderly care community. We will accelerate the preparation for operations to ensure that the segments of hospital and healthcare center can commence operations before May 2025, explore the promotion model of "Healthcare+", create a new business card of healthcare in Yanshan, and achieve a grand debut for the medical and healthcare brand of the Group.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Company proposes to hold the annual general meeting (the "**Annual General Meeting**") at 9:00 a.m. on May 22, 2025. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from May 19, 2025 to May 22, 2025, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on May 16, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company had applied the principles and code provisions as set out in the Corporate Governance Code and has complied with all code provisions in the Corporate Governance Code set out in Appendix 14 to the Listing Rules during the year ended December 31, 2024, except for the deviation from code provision C.2.1 of the Corporate Governance Code.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Li Baotian has been serving as the chairman of the Board and the chief executive officer of the Company during the year ended December 31, 2024. However, the Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group.

The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

In addition, the Company had already announced the change of chief executive officer from Mr. Li Baotian to Ms. Shen Lifeng. Please refer to the announcement dated March 19, 2025 for further details. As such, the Company has no longer deviated from code provision C.2.1 of the Corporate Governance Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code for the Directors to deal in securities of the Company.

After making specific enquiries to all Directors, each of the Directors has confirmed that he/she has complied with the required standards set out in the Model Code during the year ended December 31, 2024.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company during the year ended December 31, 2024.

SCOPE OF WORK OF THE AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the annual results announcement of the Group have been compared by the Group's auditor, Ernst & Young ("**EY**"), to the amounts set out in the Group's consolidated financial statements for the Year and the amounts were found to be in agreement. The work performed by EY in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

"OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that as at 31 December 2024, the Group's net current liabilities amounted to RMB324,453,000 and the current portion of interest-bearing bank and other borrowings amounted to RMB786,621,000, among which, USD39,870,000 (equivalent to RMB286,421,000) was overdue, while its cash and cash equivalents amounted to RMB213,719,000. These conditions along with other matters as set forth in note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, namely Mr. Li Xu, Mr. Hou Liang and Mr. Li Qingxu. The chairman of the Audit Committee is Mr. Li Xu, who is with appropriate accounting and related financial management expertise. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee has reviewed this results announcement and the audited consolidated financial statements for the year ended December 31, 2024 prepared under the IFRSs.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKEXnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.chinatbjt.com. The 2024 annual report of the Company with all the information as required by the Listing Rules will be despatched to the Shareholders (the "**Shareholders**") of the Company and will be published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Group would like to express its sincere gratitude to all Shareholders, customers and business partners for their continuing support, and wishes to sincerely thank all employees for their outstanding contribution to the development of the Group. The Group will continue to deliver sustainable business development, so as to create more values for all Shareholders.

By order of the Board
China Tianbao Group Development Company Limited
Li Baotian
Chairman of the Board

Hong Kong, March 31, 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Li Baotian, Ms. Shen Lifeng, Ms. Wang Xinling, Mr. Li Yaruixin, Ms. Wang Huijie and Mr. Zang Lin; and the independent non-executive Directors of the Company are Mr. Hou Liang, Mr. Li Qingxu and Mr. Li Xu.