巨匠建设

JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.
巨匠建設集團股份有限公司

(A joint stock limited liability company established in the People's Republic of China)

(Stock Code: 1459)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2024	2023	Change
	RMB'000	*RMB'000*	*%*
Revenue	**6,780,685**	8,315,073	(18.5)
Gross profit	**277,521**	344,133	(19.4)
Gross profit margin	**4.09%**	4.14%	(0.05)
Profit for the year	**13,731**	12,030	14.1
Net profit margin	**0.20%**	0.14%	0.06
Basic and diluted earnings per share (RMB)	**0.01**	0.02	

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: 2.0 HK cents (before tax) per share).

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Jujiang Construction Group Co., Ltd. (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the previous year as follows:

Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**6,780,685**	8,315,073
Cost of sales	7	**(6,503,164)**	(7,970,940)
Gross profit		**277,521**	344,133
Other income and gains	5	**22,113**	17,846
Administrative expenses		**(154,240)**	(172,955)
Impairment losses on financial and contract assets, net		**(100,380)**	(129,736)
Other expenses		**(4,323)**	(7,859)
Finance costs	6	**(30,951)**	(40,909)
PROFIT BEFORE TAX	7	**9,740**	10,520
Income tax credit	8	**3,991**	1,510
PROFIT FOR THE YEAR		**13,731**	12,030
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**(199)**	113
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(199)**	113
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**13,532**	12,143

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Profit attributable to:			
Owners of the parent		**5,019**	10,568
Non-controlling interests		**8,712**	1,462
		13,731	12,030
Total comprehensive income attributable to:			
Owners of the parent		**4,880**	10,647
Non-controlling interests		**8,652**	1,496
		13,532	12,143
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB per share)	*10*	**0.01**	0.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**119,823**	129,761
Investment properties		**71,281**	71,108
Right-of-use assets		**20,730**	24,501
Goodwill		**1,162**	1,162
Other intangible assets		**68,626**	80,150
Deferred tax assets		**99,535**	86,691
Long term receivables		**96,512**	110,633
Total non-current assets		**477,669**	504,006
CURRENT ASSETS			
Inventories		**25,622**	24,125
Non-current assets due within one year		**8,943**	8,787
Trade and bills receivables	*11*	**2,162,557**	2,217,659
Contract assets	*12*	**2,883,549**	3,142,043
Prepayments, other receivables and other assets		**442,850**	512,802
Financial assets at fair value through profit or loss		**–**	10,760
Pledged deposits		**129,361**	141,644
Cash and cash equivalents		**184,036**	263,550
Total current assets		**5,836,918**	6,321,370
CURRENT LIABILITIES			
Trade and bills payables	*13*	**3,274,297**	3,775,673
Other payables and accruals		**597,718**	513,197
Interest-bearing bank and other borrowings		**458,536**	527,186
Tax payable		**227,590**	231,546
Total current liabilities		**4,558,141**	5,047,602
NET CURRENT ASSETS		**1,278,777**	1,273,768
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,756,446**	1,777,774

	Notes	2024	2023
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**116,636**	138,646
Total non-current liabilities		**116,636**	138,646
Net assets		**1,639,810**	1,639,128
EQUITY			
Equity attributable to owners of the parent			
Share capital		**533,360**	533,360
Reserves		**1,071,145**	1,075,974
		1,604,505	1,609,334
NON-CONTROLLING INTERESTS		**35,305**	29,794
Total equity		**1,639,810**	1,639,128

1. CORPORATE AND GROUP INFORMATION

The Company, formerly known as Qitang Commune Construction Agency, was established in the People's Republic of China (the "**PRC**") on 25 October 1965 as a collective economy agency (集體經濟社). In July 1996, the Company was converted into a company with limited liability. The Company became a joint stock company with limited liability on 29 December 2014 and changed its name to Jujiang Construction Group Company Limited. The registered office address of the Company is No. 669 Qingfeng South Road (South), Tongxiang City, Zhejiang Province, the PRC. The Company's H shares were listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 January 2016 (the "**Listing Date**").

During the year, the Group was involved in the following principal activities:

- Construction contracting
- Others – design, survey, consultancy and other businesses

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Zhejiang Jujiang Holdings Group Co., Ltd., which is incorporated in the PRC.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for bills receivable and wealth management products 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 for the year ended 31 December 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.

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following 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 revised IFRSs 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.

3.2 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 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[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. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

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.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

(a) Construction contracting – provision of construction services;

(b) Others – provision of services of designing, surveying, training and consulting relating to construction contracting in architecture and sale of civil defence products.

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 or loss, which is measured consistently with the Group's profit before tax.

Segment assets and segment liabilities include all assets and liabilities in the consolidated statement of financial position.

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.

For the year ended 31 December 2024

	Construction contracting RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue (note 5)				
Sales to external customers	**6,697,394**	**83,291**	**–**	**6,780,685**
Intersegment sales	**–**	**20,017**	**(20,017)**	**–**
Total segment revenue	**6,697,394**	**103,308**	**(20,017)**	**6,780,685**
Profit before tax	**17,474**	**(1,283)**	**(6,451)**	**9,740**
Income tax credit	**4,728**	**(737)**	**–**	**3,991**
Segment results	**22,202**	**(2,020)**	**(6,451)**	**13,731**
Segment assets	**6,257,452**	**344,002**	**(286,867)**	**6,314,587**
Segment liabilities	**4,666,842**	**203,850**	**(195,915)**	**4,674,777**
Other segment information:				
Interest income	**1,016**	**8,333**	**–**	**9,349**
Finance costs	**22,011**	**8,940**	**–**	**30,951**
Depreciation	**14,214**	**6,672**	**–**	**20,886**
Amortisation	**471**	**7,678**	**–**	**8,149**
Impairment losses on financial and contract assets, net	**100,270**	**110**	**–**	**100,380**
Capital expenditure*	**2,890**	**1,727**	**–**	**4,617**

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

For the year ended 31 December 2023

	Construction contracting *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue (note 5)				
Sales to external customers	8,218,191	96,882	–	8,315,073
Intersegment sales	–	20,805	(20,805)	–
Total segment revenue	8,218,191	117,687	(20,805)	8,315,073
Profit before tax	(867)	11,636	(249)	10,520
Income tax credit	4,473	(2,963)	–	1,510
Segment results	3,606	8,673	(249)	12,030
Segment assets	6,693,276	381,006	(248,906)	6,825,376
Segment liabilities	5,096,132	247,682	(157,566)	5,186,248
Other segment information:				
Interest income	580	8,984	–	9,564
Finance costs	31,845	9,064	–	40,909
Depreciation	13,983	6,704	–	20,687
Amortisation	633	7,677	–	8,310
Impairment losses on financial and contract assets, net	129,028	708	–	129,736
Capital expenditure*	8,362	6,697	–	15,059

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

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**6,688,909**	8,192,955
Indonesia	**91,776**	122,118
Total revenue	**6,780,685**	8,315,073

The revenue information above is based on the locations of the customers.

(b) Non-current assets

All the Group's non-current assets were located in Mainland China. Accordingly, no analysis by the geographical area is presented.

Information about major customers

Revenue of approximately RMB1,008,552,000 (2023: RMB691,869,000) for the year was derived from 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.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**6,780,685**	8,315,073

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Construction contracting *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods or services			
Construction contracting	**6,697,394**	**–**	**6,697,394**
Design, survey and consultancy	**–**	**41,672**	**41,672**
Sale of construction materials and civil defence products	**–**	**41,619**	**41,619**
Total	**6,697,394**	**83,291**	**6,780,685**
Geographical markets			
Mainland China	**6,605,618**	**83,291**	**6,688,909**
Indonesia	**91,776**	**–**	**91,776**
Total	**6,697,394**	**83,291**	**6,780,685**
Timing of revenue recognition			
Services transferred over time	**6,697,394**	**29,341**	**6,726,735**
Goods and services transferred at a point in time	**–**	**53,950**	**53,950**
Total	**6,697,394**	**83,291**	**6,780,685**

For the year ended 31 December 2023

Segments	**Construction contracting** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Types of goods or services			
Construction contracting	8,218,191	–	8,218,191
Design, survey and consultancy	–	55,524	55,524
Sale of construction materials and civil defence products	–	41,358	41,358
Total	8,218,191	96,882	8,315,073
Geographical markets			
Mainland China	8,096,073	96,882	8,192,955
Indonesia	122,118	–	122,118
Total	8,218,191	96,882	8,315,073
Timing of revenue recognition			
Services transferred over time	8,218,191	35,347	8,253,538
Goods and services transferred at a point in time	–	61,535	61,535
Total	8,218,191	96,882	8,315,073

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

For the year ended 31 December 2024

Segments	**Construction contracting** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with customers			
Sales to external customers	**6,697,394**	**83,291**	**6,780,685**
Intersegment sales	**–**	**20,017**	**20,017**
Subtotal	**6,697,394**	**103,308**	**6,800,702**
Intersegment adjustments and eliminations	**–**	**(20,017)**	**(20,017)**
Total	**6,697,394**	**83,291**	**6,780,685**

For the year ended 31 December 2023

Segments	Construction contracting *RMB'000*	Others *RMB'000*	Total *RMB'000*
Revenue from contracts with customers			
Sales to external customers	8,218,191	96,882	8,315,073
Intersegment sales	–	20,805	20,805
Subtotal	8,218,191	117,687	8,335,878
Intersegment adjustments and eliminations	–	(20,805)	(20,805)
Total	8,218,191	96,882	8,315,073

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:

	2024	2023
	RMB'000	*RMB'000*
Construction services	**77,494**	68,391
Sale of goods	**31,639**	28,796
Design, survey and consultancy	**12,348**	2,367
Total	**121,481**	99,554

(ii) Performance obligations

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

Construction contracting

The performance obligation is satisfied over time as construction services are rendered and payment is generally due within 1 to 3 months 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.

Design, survey and consultancy

The performance obligation is satisfied over time as services are rendered or at the point upon completion of services. The payment is generally due within 1 to 3 months from the date of billing. A deposit is received upon signing such contract and the remainder of the contract value in instalment payments is due upon achieving key milestones stipulated in the contract. In some cases, a certain percentage of payment is retained by the customer until after final acceptance of the construction project to which the Group provides design, survey and consultancy services, with the retention period ranging one to three years.

Sale of construction materials and civil defence products

The performance obligation is satisfied upon delivery of the construction materials and civil defence products and payment is generally due within 1 to 3 months from delivery.

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*
Total remaining performance obligations	**16,683,978**	18,890,572

Based on the information available to the Group at the end of the reporting period, the management of the Company expects the transaction prices allocated to the contracts for projects under construction as at 31 December 2024 amounting to RMB14,544,020,000 will be recognised as revenue in the next six months to three years.

The transaction prices allocated to the contracts which are signed but have not yet commenced as at 31 December 2024 totalling to RMB2,139,958,000 are expected to be recognised as revenue in six months to three years once the construction permits are obtained by the customers. The amounts disclosed above do not include variable consideration which is constrained.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income	**9,243**	9,339
Government grants*	**4,371**	5,619
Gross rental income from investment property operating leases	**619**	599
Other interest income from financial assets at fair value through profit or loss	**106**	225
Total other income	**14,339**	15,782
Gains		
Fair value gains, net:		
Financial assets at fair value through profit or loss	**7,177**	–
Others	**597**	2,064
Total other income and gains	**22,113**	17,846

* *Government grants primarily consisted of the incentive fund received from the Bureau of Housing and Urban-Rural Development to support construction services.*

6. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**30,165**	36,692
Interest on lease liabilities	**786**	920
Factoring expense	**–**	3,297
Total	**30,951**	40,909

7. PROFIT BEFORE TAX

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

	Notes	**2024** **RMB'000**	2023 RMB'000
Cost of construction contracting (including depreciation and research and development costs)		**6,460,989**	7,925,081
Cost of others		**42,175**	45,859
Total cost of sales		**6,503,164**	7,970,940
Depreciation of items of property, plant and equipment		**14,063**	14,547
Depreciation of investment properties		**3,356**	2,659
Depreciation of right-of-use assets		**3,467**	3,481
Amortisation of other intangible assets		**8,149**	8,310
Total depreciation and amortisation		**29,035**	28,997
Research and development costs:			
Current year expenditure		**213,451**	248,576
Impairment of financial and contract assets, net:			
Impairment of trade receivables	*11*	**117,335**	48,521
Impairment of financial assets included in prepayments, other receivables and other assets		**(10,803)**	7,970
Impairment of contract assets	*12*	**(6,152)**	73,245
Total impairment losses, net		**100,380**	129,736
Lease payments not included in the measurement of lease liabilities		**293**	345
Auditor's remuneration		**2,259**	2,277
Employee benefit expenses (including directors' and supervisors' remuneration) (note (a)):			
Wages, salaries and allowances		**70,147**	79,923
Social insurance		**14,889**	15,789
Welfare and other expenses		**3,240**	2,071
Total		**88,276**	97,783
Interest income	*5*	**(9,349)**	(9,564)
Loss/(gain) on disposal of items of property, plant and equipment, net		**166**	(101)
Gain on disposal of items of right-of-use assets, net		**–**	(728)
Fair value (gains)/losses, net: bills receivable		**(7,177)**	5,335
Foreign exchange differences, net		**59**	(187)

(a) Employee benefit expenses of approximately RMB88,276,000 (2023: RMB97,783,000) are included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024.

8. INCOME TAX EXPENSE

Most of the companies of the Group are subject to PRC Corporation Income Tax Law, which have been provided based on the statutory rate of 25% (2023: 25%) of the assessable profits of each of these companies during the year as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC entities of the Group, which were taxed at 15%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024	2023
	RMB'000	*RMB'000*
Current income tax – Mainland China		
Charge for the year	**5,869**	14,048
Underprovision in prior years	**348**	2,321
Current – Elsewhere	**2,636**	2,774
Deferred income tax	**(12,844)**	(20,653)
Total	**(3,991)**	(1,510)

A reconciliation of the income tax credit applicable to profit before tax at the statutory income tax rate to the income tax expense at the Group's effective income tax rate for the reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**9,740**	10,520
Income tax charge at the statutory income tax rate	**2,435**	2,630
Lower tax rate enacted by local authority	**(288)**	(290)
Effect on opening deferred tax of change in rates	**(587)**	(22)
Adjustments in respect of current tax of previous periods	**348**	2,321
Income not subject to tax	**(46)**	(133)
Expenses not deductible for tax purposes	**812**	686
Additional tax concession on research and development costs	**(6,665)**	(6,750)
Tax losses utilised from previous periods	**–**	(143)
Tax losses not recognised	**–**	191
Tax credit for the year at the effective rate	**(3,991)**	(1,510)

9. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Proposed final dividend		
– Nil (2023: RMB 1.81 cents) per ordinary share	**–**	9,674

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the year ended 31 December 2024.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

The following reflects the income and share data used in the basic earnings per share computation:

	2024	2023
	RMB'000	*RMB'000*
Earnings:		
Profit for the period attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**5,019**	10,568

	2024	2023
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation	**533,360**	533,360

11. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables at amortised cost	**2,210,219**	1,739,777
Provision for impairment	**(340,514)**	(223,179)
Trade receivables, net	**1,869,705**	1,516,598
Bills receivables at fair value	**292,852**	701,061
Total	**2,162,557**	2,217,659

The majority of the Group's revenue are generated through construction services, and the settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period offered by the Group is one to three months. 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. Trade receivables are non-interest-bearing.

As at 31 December 2024, the Group did not pledge any trade receivables to secure the Group's bank loans (2023: Nil).

At the end of the reporting period, the amounts of retentions held by customers for contract works included in trade receivables for the Group are as follows:

	2024	2023
	RMB'000	*RMB'000*
Retentions in trade receivables	**173,304**	127,775
Provision for impairment	**(44,234)**	(30,293)
Retentions in trade receivables, net	**129,070**	97,482

An ageing analysis of the trade receivables as 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 3 months	**443,781**	618,712
3 months to 6 months	**225,683**	209,204
6 months to 1 year	**549,330**	270,506
1 to 2 years	**404,268**	264,013
2 to 3 years	**169,253**	120,882
3 to 4 years	**67,287**	31,812
4 to 5 years	**10,103**	1,469
Total	**1,869,705**	1,516,598

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

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**223,179**	174,658
Impairment losses, net (note 7)	**117,335**	48,521
At end of year	**340,514**	223,179

The increase in the loss allowance was due to an increase in trade receivables which were past due for more than 2 to 5 years and the individual loss allowance detailed in the following paragraph.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Included in the following provision matrix, for certain customers with credit risk increased significantly, the Group has made an individual loss allowance. As at 31 December 2024, the accumulated individual loss allowance was RMB176,369,000 (2023: RMB116,725,000) with a carrying amount before loss allowance of RMB538,611,000 (2023: RMB487,326,000), which was the total exposure of account receivables from certain property developers and their affiliated companies.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Expected credit loss rate	**Gross carrying amount** *RMB'000*	**Expected credit losses** *RMB'000*
Current and within 1 year	**0.72%**	**1,126,241**	**8,144**
More than 1 year but within 2 years	**12.89%**	**307,412**	**39,628**
More than 2 years but within 3 years	**28.04%**	**133,887**	**37,537**
More than 3 years but within 4 years	**50.80%**	**42,699**	**21,692**
More than 4 years but within 5 years	**81.11%**	**22,372**	**18,147**
More than 5 years	**100.00%**	**38,997**	**38,997**
Subtotal		**1,671,608**	**164,145**
Apparently impaired item	**32.75%**	**538,611**	**176,369**
Total		**2,210,219**	**340,514**

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount *RMB'000*	Expected credit losses *RMB'000*
Current and within 1 year	0.51%	923,363	4,731
More than 1 year but within 2 years	10.41%	185,242	19,282
More than 2 years but within 3 years	25.18%	59,085	14,877
More than 3 years but within 4 years	49.14%	30,989	15,228
More than 4 years but within 5 years	78.52%	6,686	5,250
More than 5 years	100.00%	47,086	47,086
Subtotal		1,252,451	106,454
Apparently impaired item	23.95%	487,326	116,725
Total		1,739,777	223,179

Transferred financial assets that are not derecognised in their entirety

At 31 December 2024, the Group endorsed certain bills receivable (together, the "Bills") with a carrying amount of approximately RMB302,428,000 in total (2023: RMB727,944,000). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Bills, and accordingly, it continued to recognise the full carrying amounts of the Bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the Bills, including the sale, transfer or pledge of the Bills to any other third parties. The aggregate carrying amount of the trade payables settled during the period to which the suppliers and financial institutions have recourse was approximately RMB302,428,000 (2023: RMB727,944,000) as at 31 December 2024.

Transferred financial assets that are derecognised in their entirety

(a) At 31 December 2024, the Group endorsed certain bills receivable (the "**Derecognised Bills**") with a carrying amount in aggregate of approximately RMB44,650,000 (2023: RMB251,422,000). The Derecognised Bills have a maturity from one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "**Continuing Involvement**"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the derecognised bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

(b) As part of its normal business, the Group entered into a trade receivable factoring arrangement and transferred certain trade receivables to a financial institution. The Group is not exposed to default risks of the trade debtors after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. There was neither asset nor associated liabilities that the Group continued to recognise as at 31 December 2024 (2023: Nil).

During the reporting period, the Group did not recognise any expenses (2023: Nil) in finance costs (note 6) on the date of transfer of the discounted bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

12. CONTRACT ASSETS

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Contract assets arising from:		
Construction services	**3,035,759**	3,289,283
Design, survey, training and consultancy	**–**	11,122
Total	**3,035,759**	3,300,405
Impairment	**(152,210)**	(158,362)
Net carrying amount	**2,883,549**	3,142,043

Contract assets are initially recognised for revenue earned from construction, design, survey and consultancy services. Upon settlement with customers, the amounts recognised as contract assets are reclassified to trade receivables.

During the year ended 31 December 2024, RMB6,152,000 was reversed as an allowance for expected credit losses on contract assets (2023: accrual of RMB73,245,000). The Group's trading terms and credit policy with customers are disclosed in the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

Retention receivables

	2024 *RMB'000*	2023 *RMB'000*
Within one year	**58,806**	88,708
After one year	**99,450**	130,369
Total retention receivables	**158,256**	219,077

At 31 December 2024, the expected timing of recovery or settlement for the remaining contract assets was subject to the specific contract terms and the progress of the performance obligations.

The movements in the loss allowance for impairment of contract assets are as follows:

	2024 *RMB'000*	2023 *RMB'000*
At beginning of year	**158,362**	85,117
Impairment losses, net (note 7)	**(6,152)**	73,245
At end of year	**152,210**	158,362

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables 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 about past events, current conditions and forecasts of future economic conditions.

Included in the following provision matrix, for certain customers with credit risk increased significantly, the Group has made individual loss allowances. As at 31 December 2024, the accumulated individual loss allowance was RMB133,725,000 (2023: RMB143,916,000) with a carrying amount before loss allowance of RMB383,802,000 (2023: RMB471,888,000). The individual loss allowance was based on the total exposure of contract assets of certain property developers and their affiliated companies.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

As at 31 December 2024

	Expected credit loss rate	**Gross carrying amount** *RMB'000*	**Expected credit losses** *RMB'000*
Carrying amount excluding apparently impaired item	**0.72%**	**2,651,957**	**18,485**
Apparently impaired item	**34.84%**	**383,802**	**133,725**
Total		**3,035,759**	**152,210**

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount *RMB'000*	Expected credit losses *RMB'000*
Carrying amount excluding apparently impaired item	0.51%	2,828,517	14,446
Apparently impaired item	30.50%	471,888	143,916
Total		3,300,405	158,362

13. TRADE AND BILLS PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**1,863,775**	2,550,978
6 months to 1 year	**375,385**	343,442
1 to 2 years	**478,948**	497,478
2 to 3 years	**339,212**	278,372
Over 3 years	**216,977**	105,403
Total	**3,274,297**	3,775,673

The trade payables are non-interest-bearing and are normally settled within terms from three to six months.

14. COMMITMENTS

At the end of the reporting period, the Group did not have any significant capital commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, both the real estate and construction industries faced cyclical challenges from "shrinking demand and weakening market expectations". However, structural adjustments have laid a foundation for healthy development in the medium to long term. According to data from the National Bureau of Statistics of the People's Republic of China (the "**PRC**"), total domestic investment in real estate development in 2024 was RMB10.03 trillion, representing a year-on-year decrease of 10.6%, marking a historical low. This reflects the conservative outlook of real estate enterprises regarding market prospects and weak investment sentiment. In 2024, the sales area of newly built commercial building in China was approximately 970 million sq.m., representing a decline of 12.9% year-on-year, and the sales value of newly built commercial building was approximately RMB 9.7 trillion, representing a decrease of 17.1% compared to the previous year.

Nevertheless, driven by policy relaxations, such as the removal of purchase restrictions and reductions in mortgage interest rates, transaction volumes for both new and second-hand properties in core cities saw a significantly rebound in the second half of the year. First-tier cities were the first to stabilise and recover, with cities like Shanghai and Hangzhou experiencing a surge in transactions due to these policy relaxations. The market share of second-hand properties continued to rise during the same period, driven by significant price adjustment that enhanced their market competitiveness. Monthly transactions in certain cities repeatedly hit new highs, redirecting demand from the new property sector.

According to data from the National Bureau of Statistics of the PRC, for the year ended 31 December 2024, the total value of the national construction industry reached approximately RMB32.7 trillion, representing a year-on-year growth of 5%; the construction area of buildings of the national construction industry was approximately 13.6 billion sq.m., representing a year-on-year decline of 10.6%. In addition, according to the data from the China Construction Industry Association of the PRC, the aggregate value of contracts entered into by national construction enterprises in 2024 amounted to RMB72.7 trillion, representing a year-on-year decrease of 0.2%. The total value of new contracts amounted to approximately RMB33.8 trillion, representing a year-on-year decrease of 5.3%.

In 2024, amid the downward pressure on the industry's overall investment growth, government-led infrastructure projects remained a key pillar of the construction sector. At the policy level, the central government strengthened support for green buildings, prefabricated buildings, and intelligent construction, while simultaneously stimulating market vitality through measures such as tax reductions, fee cuts, and the optimisation of qualification control. For example, the application of passive energy-saving designs and renewable energy technologies, particularly solar photovoltaic, significantly increased, driving the industry toward low-carbon transformation.

The development of new advanced materials, such as high-performance concrete and composite materials, along with intelligent construction technologies became a focal point of the industry. These innovations not only contribute to construction cost efficiencies but also enhance building safety and durability. Meanwhile, leading enterprises accelerated their investment in intelligent construction, optimising engineering management efficiency through BIM (Building Information Modeling) and Internet of Things technologies. This has gradually allowed them to establish distinct competitive advantages.

Despite the market dominance of large state-owned enterprises, which benefit from their financial and technological strengths, private enterprises have swiftly penetrated niche sectors, such as decoration and specialised engineering, gradually expanding their market share. In addition, enterprises have sought new growth opportunities, particular in countries along the "Belt and Road" initiative, through industrial chain cooperation (such as the integration of building material supply chain) and expansion into overseas markets.

BUSINESS REVIEW

2024 was a year marked by both the challenges we overcame and the innovations and breakthroughs we achieved. Committed to the strategic philosophy of "adapting oneself to fit the changes", we have navigated against industry headwinds and balanced stable operations with high-quality development through technological innovation, management optimisation and market cultivation. For the year ended 31 December 2024, the Group's revenue and net profit amounted to approximately RMB6,780.7 million and approximately RMB13.7 million, respectively, representing a decrease of approximately 18.5% and an increase of approximately 14.1%, respectively, as compared to the corresponding period last year. The value of backlog decreased by approximately 11.7% to approximately RMB16,684.0 million as at 31 December 2024 as compared to that of approximately RMB18,890.6 million as at 31 December 2023.

The following table sets out the movements in the backlog of construction projects during the year:

	As at the year ended 31 December	
	2024	2023
	RMB million	*RMB million*
Opening value of backlog	**18,890.6**	18,736.8
Net value of new projects[1]	**4,490.8**	8,372.0
Revenue recognised[2]	**(6,697.4)**	(8,218.2)
Closing value of backlog[3]	**16,684.0**	18,890.6

Notes:

(1) The net value of new contracts represents the total contract value of contracts for new construction works acquired in the year indicated.

(2) Revenue recognised represents the revenue recognised in the year indicated.

(3) The closing value of backlog represents the total contract value of the remaining works prior to full completion of the construction project at the end of the year indicated.

Further business expansion through strategy optimisation

In 2024, despite overall market challenges across the industry, the Group leveraged its technical expertise and strong brand reputation to strengthen market assessment, strategically improved its business structure, optimised its market strategies, and secured new projects with an aggregate net value of approximately RMB4,490.8 million.

Facing a downturn in the real estate industry, the Group strategically optimised its business portfolio. During the year under review, the industrial and public construction projects segments showed continued growth, with industrial projects, public construction projects, and commercial real estate projects accounting for 33.5%, 9.0%, and 25.6%, respectively, of the projects undertaken during the year. We focused on open tender projects and high-quality large-scale projects, with the completed contract value of business undertaken through open tender amounting to RMB3.18 billion, accounting for 70.8% of the total contract value. As the market structure continued its in-depth transformation toward quality-oriented projects, the contribution of the Group's high-quality business has increased significantly, among which 58.0% had a single contract value exceeding RMB300 million.

In terms of market strategy, the Group focused on key regions and further consolidated its market share in Tongxiang and Jiaxing, with newly signed contracts accounting for 29% and 11%, respectively, of those in Tongxiang and Jiaxing. Annual business from the local markets of Tongxiang and Jiaxing accounted for 62%. We made steady progress with the "outward expansion" strategy, with annual business from regions in Zhejiang Province, other than Jiaxing, accounting for 29%, among which, business from Yiwu contributed nearly 27%, while business from regions beyond Zhejiang Province accounted for 9%.

The Group continued to strengthen its market competitiveness by securing major projects. Yiwu Jiantou. Jujiang Construction Co., Ltd.* (義烏建投巨匠建設有限公司) successfully won the bid for the International E-Commerce and Digital Port and Industrial Park in Jinyi Free Trade Zone (Yiwu) (金義自貿區(義烏)國際電商數字港產業園項目), with a contract sum of RMB815 million, cementing the Group's leading position in the construction of large-scale industrial park. The Group also won the bid for the South Gate Commercial Block at Wutongli, Tongxiang (桐鄉市梧桐里南門商業街區項目), with an awarded value exceeding RMB915 million, and the Organic Renewal of the Site South of the Intersection of Beiyuan Road and Jingsan Road in Shiqiaotou, Yiwu (義烏石橋頭有機更新北苑路與景三路交叉口南側地塊項目), with an awarded value exceeding RMB420 million.

In addition, the Group successfully won the bid for the Industrial Organic Renewal of Wuzhen Big Data Industrial Park (烏鎮大數據產業園工業有機更新項目), with an awarded value of RMB339 million through open tender, further strengthening the Group's presence in smart city construction.

Continuous optimisation of production management through enhanced efficiency

The Group remained steadfast in its goal-oriented approach and consistently prioritised project quality as its foundation. During the year under review, the Group actively implemented the "Quality Month" campaign and launched quality enhancement initiatives to promote the advancement of quality-driven productivity. To fufill our leadership role, we promoted in-depth standardisation in construction works and actively organised on-site tours to high-quality model projects such as the Feng Zikai Art Center (豐子愷藝術中心) and the Zhenshi Plaza (振石廣場). By emphasising construction project quality, we were able to foster improvement and progress through system enhancement in the area of project quality. Several of our projects were awarded the High Quality Project Award of the "Nanhu Cup" (「南湖杯」優質工程獎) in Jiaxing and the High Quality Project Award for Landscaping and Greening of "Fengming Cup" (「鳳鳴杯」園林綠化優質工程獎) in Tongxiang.

The Group continued to make steady progress in safety management. We have been striving for construction site safety, focusing our efforts on managing risks at the source and proactively eliminating safety hazards, while particular attention was given to the supervision and management of dangerous and major construction works. We conducted the "Safety Month" campaign and organised specialised safety programmes to ensure that overall production safety remained stable. As a result of our solid efforts to standardise construction site safety, one project was awarded the title of standardised construction site at the provincial level, and nine projects received the same title at the prefectural and municipal level.

We continued to enhance project efficiency by closely adhering the contractual construction schedule. We implemented proper control on phased targets and key milestones, utilizing time-based and tiered management to ensure that plans were reasonable and measures effective. We closely monitor the progress of phased targets and milestones, leveraging information technology to enhance the scientific accuracy of progress delay analysis. By strengthening process progress control, we aimed to further enhance management efficiency.

During the year under review, the Group was honored with several prestigious titles, including, at national-level, "2024 AAA Credit-Rated Construction Enterprise" (2024年度建築業AAA級信用企業) and the "First Batch of 6-Star Credit-Rated Engineering Construction Enterprises" (第一批工程建設企業信用6星認定), along with the "Advanced Construction Enterprise of Zhejiang Province" (浙江省先進建築業企業), the "First Batch of Modernisation Demonstration Enterprises in the Construction Industry of Jiaxing City" (嘉興市第一批建築業產業現代化示範企業), and the "Outstanding Contribution Enterprise in the Construction Industry of Tongxiang City" (桐鄉市建築業突出貢獻企業).

Technological Innovation Leading Digital Transformation

To capture the development opportunities arising from the new trend in the construction industry, the Group consistently stepped up efforts in technological innovation and expedited its technological research and development. There were 83 additional research and development projects with 26 projects subject to acceptance, inspection and completion and 57 projects under research. The Group established 4 scientific and technological projects in Tongxiang City and completed the acceptance of 2 provincial-level demonstration projects. The Group obtained 2 national-level QC results, 3 provincial-level QC results, 4 municipal-level QC results, and 11 authorized national patents, published 1 technical paper, led the compilation of 1 standard, and participated in the compilation of 2 standards. The Group also facilitated the entry and exit of several doctoral researchers, driving technological breakthroughs in areas such as green building materials and intelligent construction. The Yunjiang Digital Research Institute (雲匠數字研究院) made an appearance at the 18th Engineering Construction Industry Informatization Development Conference, showcasing the R&D achievements in BIM technology and prefabricated design.

During the year under review, the Group achieved significant breakthroughs in the field of intelligent construction. Its projects, the "Tongxiang City Feng Zikai Art Center (桐鄉市豐子愷藝術中心) (Phase I) Project" and the "Tongxiang Traditional Chinese Medicine Hospital Relocation Project," were awarded the Gold Medal Application Achievement and the Excellent Application Results of Zhejiang Province Smart Construction Site, respectively. Both projects adopted the "BIM + Smart Construction Site" management model throughout the entire process, integrating technologies such as the Internet of Things, cloud computing, and construction robotics, etc. This enabled digital monitoring, real-name management, environmental monitoring, and scientific allocation of materials of construction sites, significantly improving efficiency and safety.

For the year ended 31 December 2024, the construction contracting business contributed approximately 98.8% of the revenue (2023: approximately 98.8%). The following table sets forth a breakdown of our revenue by business and project type for the years indicated:

	Year ended 31 December			
	2024		2023	
	RMB'million	*%*	*RMB'million*	*%*
Construction contracting business				
Residential	**2,709.8**	**40.0**	3,531.1	42.5
Commercial	**819.5**	**12.1**	688.3	8.3
Industrial	**2,053.6**	**30.3**	2,524.8	30.3
Public works	**1,114.5**	**16.4**	1,474.0	17.7
	6,697.4	**98.8**	8,218.2	98.8
Other business	**83.3**	**1.2**	96.9	1.2
Total revenue	**6,780.7**	**100.0**	8,315.1	100.0

FINANCIAL REVIEW

Revenue and gross profit margin

Revenue decreased by approximately 18.5% from approximately RMB8,315.1 million for the year ended 31 December 2023 to approximately RMB6,780.7 million for the year ended 31 December 2024, primarily because of the revenue from construction contracting business decreased by 18.5% from approximately RMB8,218.2 million for the year ended 31 December 2023 to approximately RMB6,697.4 million for the year ended 31 December 2024. Such decrease in revenue from construction contracting business was primarily due to the downturn in economy and the decrease in the amounts of net values of new projects undertaken by the Group during the year ended 31 December 2024. The Group now emphasizes quality projects over rapid growth to reduce business risks. We will focus on sustainable ventures with reputable clients, enforce thorough due diligence, optimize contract terms, and invest in team expertise—ensuring lasting partnerships and steady profitability through excellence.

Gross profit decreased by approximately 19.4% from approximately RMB344.1 million for the year ended 31 December 2023 to approximately RMB277.5 million for the year ended 31 December 2024, which was in line with decrease in revenue. The gross profit margin were stable at approximately 4.14% and 4.09% for the years ended 31 December 2023 and 2024, respectively. The gross profit margin of the construction contracting business remained stable at approximately 3.56% and approximately 3.53% for the years ended 31 December 2023 and 2024, respectively.

Other income and gains

Other income and gains increased by approximately 23.9% from approximately RMB17.8 million for the year ended 31 December 2023 to approximately RMB22.1 million for the year ended 31 December 2024, primarily because of a gain of RMB7.2 million from financial assets at fair value through profit or loss related to bills receivable for the year ended 31 December 2024 as compared to a fair value loss of RMB5.3 million recorded as other expenses for the year ended 31 December 2023. The change was primarily attributed to the collection of bills receivable that had previously recognised a fair value loss in prior years, resulting in a fair value gain being recognised in the current year.

Administrative expenses

The administrative expenses decreased by approximately 10.8% from approximately RMB173.0 million for the year ended 31 December 2023 to approximately RMB154.2 million for the year ended 31 December 2024, which was primarily due to the Group's strict and effective control over costs, including staff, office, travel, and meeting expenses, in response to the market downturn.

Impairment losses on financial and contract assets, net

Impairment losses on financial and contract assets, net, including trade receivables, other receivables and contract assets, decreased by approximately 22.6% from approximately RMB129.7 million for the year ended 31 December 2023 to approximately RMB100.4 million for the year ended 31 December 2024, primarily due to the Group's emphasis on the credit control on new projects and new customers to reduce credit risk in recent years. Consequently, the Group believes it has made sufficient impairment losses on financial and contract assets as of 31 December 2024.

The Group will closely monitor the financial position of its customers and actively recover the receivables, and take legal action if necessary.

Other expenses

Other expenses decreased by approximately 45.0% from approximately RMB7.9 million for the year ended 31 December 2023 to approximately RMB4.3 million for the year ended 31 December 2024, primarily due to a gain of RMB7.2 million from financial assets at fair value through profit or loss related to bills receivable, recorded in other income and gains for the year ended 31 December 2024 as compared to a fair value loss of RMB5.3 million recorded as other expenses for the year ended 31 December 2023.

Finance costs

Finance costs decreased by approximately 24.3% from approximately RMB40.9 million for the year ended 31 December 2023 to approximately RMB31.0 million for the year ended 31 December 2024. Such decrease was primarily due to decrease in bank borrowings.

Income tax credit

Income tax credit increased by approximately 1.6 times from approximately RMB1.5 million for the year ended 31 December 2023 to approximately RMB4.0 million for the year ended 31 December 2024, such increase was primarily because the under-provision of the current income tax decreased by approximately 85% to RMB0.3 million for the year ended 31 December 2024 as compared with the last year. As a result, the effective tax rate increased from approximately -14.4% for the year ended 31 December 2023 to approximately -41.0% for the year ended 31 December 2024.

Profit for the year

As a result of the foregoing, profit for the year increased by approximately 14.1% from approximately RMB12.0 million for the year ended 31 December 2023 to approximately RMB13.7 million for the year ended 31 December 2024. Net profit margin increased from approximately 0.1% for the year ended 31 December 2023 to approximately 0.2% for the year ended 31 December 2024.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The working capital for the Group's operations primarily comes from cash generated from operating activities and interest-bearing bank and other borrowings. As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB184.0 million (2023: approximately RMB263.6 million).

Treasury policies

The Group monitors the cash flows and cash balance on a regular basis and seeks to maintain an optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business and its various growth strategies. In the future, the Group intends to finance its operations through cash generated from operating activities and interest-bearing bank and other borrowings. Other than normal bank borrowings that the Group obtains from commercial banks and potential debt financing plans, the Group does not expect to have any material external debt financing plan in the near future.

Contract assets

The contract assets decreased by approximately 8.2% from approximately RMB3,142.0 million as at 31 December 2023 to approximately RMB2,883.5 million as at 31 December 2024, representing 49.7% and 49.4% of the total current assets as at the end of the corresponding years, respectively. The decrease in contract assets was in line with the decrease in revenue for the year ended 31 December 2024.

Trade and bills receivables

Trade and bills receivables decreased by approximately 2.5% from approximately RMB2,217.7 million as at 31 December 2023 to approximately RMB2,162.6 million as at 31 December 2024. Such decrease was due to the decrease in bill receivables by approximately 58.2% to approximately RMB292.9 million and an increase in provision for impairment by approximately 52.6% to approximately RMB340.5 million as at 31 December 2024 compared with that as at 31 December 2023, which was partially offset by an increase in the gross balance of trade receivables by approximately 27.0% to RMB2,210.2 million as at 31 December 2024 as compared with that as at 31 December 2023. The increase in gross balance of trade receivables was driven by higher customer billings due to an earlier Chinese New Year Holiday and decreased in settlements using the bill receivables. As a result, the trade and bills receivables turnover days increased from approximately 93 days as at 31 December 2023 to approximately 118 days as at 31 December 2024.

Trade and bills payables

Trade and bills payables decreased by approximately 13.3% from approximately RMB3,775.7 million as at 31 December 2023 to approximately RMB3,274.3 million as at 31 December 2024. Such decrease was primarily because of a decrease in revenue for the year ended 31 December 2024 as compared with the corresponding period in 2023. The trade and bills payables turnover days increased from approximately 163 days as at 31 December 2023 to approximately 198 days as at 31 December 2024.

Borrowings and charge on assets

As at 31 December 2024, the Group relied on short-term and long-term interest-bearing borrowings in the aggregated amount of approximately RMB575.2 million (2023: approximately RMB665.8 million). As at 31 December 2024, the short-term interest-bearing borrowings amounting to approximately RMB458.5 million (2023: approximately RMB527.2 million) are repayable within 1 year and carried effective interest rate with a range from 3.10% to 6.20% per annum (2023: 3.70% to 7.09% per annum). As at 31 December 2024, the long-term interest-bearing borrowings amounting to approximately RMB116.6 million (2023: approximately RMB138.6 million) are repayable from 2026 to 2032 and the fixed interest rate is from 4.41% to 4.90%.

As at 31 December 2024, certain general banking facilities were secured by the buildings held by the Group with a carrying amount of approximately RMB133.5 million (2023: approximately RMB138.5 million).

As at 31 December 2024, the Group did not pledge any trade receivables to secure the Group's bank loans (2023: nil).

Gearing ratio

The gearing ratio remained stable at approximately 15.9% and 16.0% as at 31 December 2023 and 31 December 2024, respectively.

Gearing ratio represents net debt divided by total equity as at the end of a year. Net debt is defined as all borrowings deducted by cash and bank balances and pledged deposits.

Capital expenditure

For the year ended 31 December 2024, the capital expenditures were approximately RMB4.6 million (2023: approximately RMB15.1 million). The capital expenditure incurred for the year ended 31 December 2024 was primarily related to the purchase of machinery and office equipments.

Capital commitments

As at 31 December 2024, the Group did not have any significant capital commitments (2023: nil).

Contingent liabilities

As at 31 December 2024, the Group had no material contingent liabilities (2023: nil).

Fluctuation of RMB exchange rate and foreign exchange risks

The majority of the Group's business and most of the cash and bank borrowings are denominated and accounted for in RMB. Therefore, the Group does not have significant exposure to foreign exchange fluctuation. The Board does not expect the fluctuation of RMB exchange rate and other foreign exchange fluctuations will have material impact on the business operations or financial results of the Group. The Group currently has no hedging policy with respect to the foreign exchange risks, therefore, the Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments held or material acquisitions and disposals during the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group has no other future plans related to the material investments and capital assets.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of 944 employees (2023: 1,068 employees), of which 535 were based in Jiaxing City, and 409 were based in other areas of Zhejiang Province and in other provinces and regions of China. For the year ended 31 December 2024, the Group incurred total staff costs of approximately RMB88.3 million, representing a decrease of approximately 9.7% as compared with corresponding period in 2023 (RMB97.8 million).

The Group believes that the long-term growth depends on the expertise, experience and development of the employees. The salaries and benefits of the employees depend primarily on their type of work, position, length of service with us and local market conditions. In order to improve the employees' skills and technical expertise, the Group provides regular training to the employees.

The Group has participated in the social pension plans and the defined social security contribution scheme for its employees pursuant to the relevant laws and regulations of the PRC. Under the social pensions plans and the social security contribution schemes, no forfeited contributions will be used by the employers to reduce the existing level of contributions.

FUTURE PROSPECTS

Looking ahead to 2025, the real estate market will rely on continued policy support and enhanced product capabilities to achieve a rebound. The construction industry, on the other hand, must seize opportunities of new urbanization and green transformation, strengthening competitive advantages through technological innovation and resource integration. As policy effects take hold, and with the gradual restoration of market confidence, the construction industry is expected to witness incremental improvements. However, the overall recovery process will still hinge on the coordinated advancement of the macroeconomic environment and structural reforms.

2025 marks the conclusion of the Group's "14th Five-Year Plan". We will continue to maintain high morale, adhere to the general principle of pursuing progress while maintaining stability, and implement three major initiatives: focusing on core businesses, enhancing quality, and consolidating our strengths and foundation. With unwavering confidence and relentless effort, we aim to build a "Healthy Jujiang" of high-quality and efficiency, "Vibrant Jujiang" of integrity and innovation, and "Strong Jujiang" of steady and sustainable growth, achieving comprehensive high-quality development for the Group.

With a strategic focus on our core businesses, we will optimize the market layout and business structure to enhance our market competitiveness. We will enhance quality by centering on "operational quality" and "product quality" to improve our management efficiency and product quality. We will strengthen foundational management through "internal management enhancement" and "external image building", boosting overall capabilities. Looking ahead to 2025, we will continue to uphold our core values of "integrity, pragmatism, innovation, and harmony", and embrace the historical opportunities of intelligent construction and green transformation, contributing the "Jujiang Solutions" to the high-quality development of the construction industry.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2024 and up to the date of this announcement, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities or treasury shares (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) of the Company. As at 31 December 2024, the Company did not hold any treasury shares (2023: nil).

NON-COMPETITION AGREEMENT

To ensure that competition will not exist in the future, Mr. Lyu Yaoneng, Zhejiang Jujiang Holdings Group Co., Ltd.*(浙江巨匠控股集團有限公司) and Zhejiang Jujiang Equity Investment Management Co., Ltd.* (浙江巨匠股權投資管理股份有限公司) as controlling shareholders of the Company (the "**Controlling Shareholders**") have entered into non-competition agreement with the Company to the effect that each of them will not, and will procure their subsidiaries (other than the Group) and their close associate(s) not to, directly or indirectly participate in, or hold any interest or right or otherwise be involved in, the principal business and other businesses.

DIRECTORS' COMPETING INTERESTS

Save as disclosed in this announcement, none of the Controlling Shareholders, Directors and their respective close associates has any interests in any business which directly or indirectly competes or is likely to compete with the principal business and other businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board comprises six executive Directors and three independent non-executive Directors. The Board has adopted the code provisions (the "**Code Provisions**") of the Corporate Governance Code ("**CG Code**") set out in Appendix C1 to the Listing Rules. Throughout the year ended 31 December 2024 and up to the date of this announcement, the Company has fully complied with the Code Provisions and the CG Code for the year ended 31 December 2024.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of the shareholders and investors.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the model code as set out in Appendix C3 to the Listing Rules ("**Model Code**") as the Company's code of conduct regarding Directors' and supervisors' securities transactions. Upon specific enquiries, all Directors and supervisors of the Company confirmed that they have complied with the relevant provisions of the Model Code throughout the year ended 31 December 2024.

Senior management who, because of their office in the Company, are likely to be in possession of inside information, have also been requested to comply with the provisions of the Model Code.

EVENTS AFTER THE REPORTING PERIOD

There are no major subsequent events to 31 December 2024 which would materially affect the Group's operating and financial performance as of the date of this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: 2.0 HK cents (before tax) per share).

The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Tuesday, 27 May 2025. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be published on the websites of the Stock Exchange at http://www.hkexnews.hk and the Company at http://www.jujiang.cn.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 25 April 2025 to Tuesday, 27 May 2025, both days inclusive, during which period no transfer of H shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer of H shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's H share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 24 April 2025, being the business day before the first day of closure of the register of members.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this results announcement have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary announcement.

AUDIT COMMITTEE

The Company has established an audit committee on 23 December 2015 with its written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system, nominate and monitor external auditors and to provide advice and comments to the Board.

Our audit committee consists of three members, being Ms. Lam Fei Sui, Mr. Wang Xinglong and Mr. Ma Tao. Ms. Lam Fei Sui currently serves as the chairlady of our audit committee.

The audit committee of the Company has reviewed, among other things, the financial statements of the Company for the year ended 31 December 2024, including the accounting principles and practices adopted by the Company, report prepared by the external auditors covering major findings in the course of the audit, the risk management and internal control systems and the overall effectiveness of the Company's internal audit function and the adequacy of resources, qualifications and experience of the staff and the accounting and financial reporting matters, and selection and appointment of the external auditors.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jujiang.cn). The 2024 Annual Report of the Company containing all the information required by the Listing Rules will be sent to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board
Jujiang Construction Group Co., Ltd
Mr. Lyu Yaoneng
Chairman

Zhejiang Province, the PRC, 28 March 2025

As of the date of this announcement, the Board of the Company comprises Mr. Lyu Yaoneng, Mr. Lyu Dazhong, Mr. Li Jinyan, Mr. Lu Zhicheng, Mr. Shen Haiquan and Mr. Zheng Gang, as executive Directors; and Mr. Ma Tao, Mr. Wang Xinglong and Ms. Lam Fei Sui, as independent non-executive Directors.

* *for identification purposes only*