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

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

(Stock Code: 2355)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Baoye Group Company Limited* (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with comparative figures for the corresponding period in 2025. The interim results had been reviewed by the audit committee of the Board and approved by the Board. The following financial information is extracted from the unaudited interim financial information to be set out in the Group's 2026 Interim Report.

* *For identification purpose only*

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**7,532,373**	8,502,567
Cost of sales		**(7,165,543)**	(7,993,868)
Gross profit		**366,830**	508,699
Other income		**61,431**	63,971
Other gains – net	*5*	**15,171**	29,051
Selling and marketing costs		**(93,684)**	(87,386)
Administrative expenses		**(304,312)**	(315,081)
Research and development expenses		**(22,834)**	(22,381)
Reversal for impairment losses on financial assets and contract assets		**32,601**	76,714
Operating profit		**55,203**	253,587
Finance income		**9,103**	8,785
Finance costs		**(29,272)**	(12,483)
Finance costs – net		**(20,169)**	(3,698)
Share of results of investments accounted for using the equity method		**(3,978)**	(4,561)
Profit before income tax		**31,056**	245,328
Income tax expense	*6*	**(140,427)**	(101,897)
(Loss)/profit for the period		**(109,371)**	143,431
(Loss)/profit attributable to:			
– Owners of the Company		**(71,277)**	140,981
– Non-controlling interests		**(38,094)**	2,450
		(109,371)	143,431
(Loss)/earnings per share for profit attributable to the owners of the Company			
– Basic and diluted (expressed in RMB yuan per share)	*7*	**(0.14)**	0.27

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(109,371)**	143,431
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss:		
Currency translation differences	**(204)**	273
Items that will not be reclassified to profit or loss		
Changes in the fair value of financial assets at fair value through other comprehensive income	**(102,542)**	(74,156)
Total other comprehensive loss for the period, net of tax	**(102,746)**	(73,883)
Total comprehensive (loss)/income for the period	**(212,117)**	69,548
Total comprehensive (loss)/income attributable to:		
– Owners of the Company	**(174,023)**	67,098
– Non-controlling interests	**(38,094)**	2,450
	(212,117)	69,548

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2026** ***RMB'000***	Audited 31 December 2025 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**2,987,590**	2,984,549
Right-of-use assets		**655,244**	679,165
Investment properties		**1,112,481**	1,123,499
Intangible assets		**210,412**	221,918
Investments accounted for using the equity method	*8*	**460,623**	460,676
Trade and other receivables	*9*	**296,959**	297,157
Financial assets at fair value through other comprehensive income		**535,930**	672,653
Financial assets at fair value through profit or loss		**9,692**	12,725
Deferred income tax assets		**496,300**	473,654
		6,765,231	6,925,996
Current assets			
Inventories		**307,853**	287,532
Properties under development		**5,976,545**	4,646,074
Completed properties held for sale		**6,451,679**	6,732,384
Contract assets		**1,918,550**	3,406,693
Trade and other receivables	*9*	**8,183,393**	10,188,909
Financial assets at fair value through profit or loss		**–**	308,000
Restricted bank deposits		**998,859**	1,290,062
Term deposits over three months		**1,813,237**	1,973,120
Cash and cash equivalents		**9,173,988**	6,468,851
		34,824,104	35,301,625
Total assets		**41,589,335**	42,227,621

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**Unaudited 30 June 2026** *RMB'000*	Audited 31 December 2025 *RMB'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital and premium and treasury shares		**889,722**	889,722
Other reserves		**547,134**	626,892
Retained earnings		**11,465,458**	11,603,976
		12,902,314	13,120,590
Non-controlling interests		**440,161**	517,153
Total equity		**13,342,475**	13,637,743
LIABILITIES			
Non-current liabilities			
Bank borrowings		**1,424,500**	548,800
Lease liabilities		**5,949**	7,061
Deferred income tax liabilities		**190,543**	226,894
		1,620,992	782,755
Current liabilities			
Contract liabilities		**8,475,824**	8,296,329
Trade and other payables	*10*	**14,365,428**	15,540,913
Lease liabilities		**2,200**	2,152
Bank borrowings		**3,488,271**	3,501,655
Current income tax liabilities		**294,145**	466,074
		26,625,868	27,807,123
Total liabilities		**28,246,860**	28,589,878
Total equity and liabilities		**41,589,335**	42,227,621

NOTES

1 General information

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

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

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

Unless otherwise stated, this interim financial information for the six months ended 30 June 2026 ("**Interim Financial Information**") is presented in Renminbi ("**RMB**"). The Interim Financial Information has not been audited.

2 Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2026 has been prepared in accordance with the Hong Kong Accounting Standard ("**HKAS**") 34, 'Interim financial reporting'. The interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the consolidated financial statements for the year ended 31 December 2025 (the "**2025 Financial Statements**"), which have been prepared in accordance with the HKFRS Accounting Standards ("**HKFRS**") and disclosure requirements under the Hong Kong Companies Ordinance, and any public announcements made by the Company during the interim reporting period.

3 Material accounting policies

The accounting policies applied are consistent with those of the 2025 Financial Statements, except for the adoption of new and amendments to HKFRSs effective for the financial year beginning 1 January 2026.

(a) New and amended standards adopted by the Group

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

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

Except for HKFRS 18 mentioned below, the new standards and amended standards are not expected to have a material impact on the Interim Financial Information of the Group and performance in the current or future reporting periods and on foreseeable future transactions.

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management - defined performance measures within the financial statements.

4 Segment information

The segment information provided to executive directors for the reportable segments for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June 2026				
	Construction	**Property development**	**Building materials**	**Others**	**Group**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Revenue from contracts with customers	**5,493,262**	**1,468,558**	**1,410,294**	**279,725**	**8,651,839**
Revenue from other sources					
Rental income	**–**	**–**	**–**	**46,143**	**46,143**
Total segment revenue	**5,493,262**	**1,468,558**	**1,410,294**	**325,868**	**8,697,982**
Less: inter-segment revenue	**(364,172)**	**(7,099)**	**(617,541)**	**(176,797)**	**(1,165,609)**
Revenue (from external customers)	**5,129,090**	**1,461,459**	**792,753**	**149,071**	**7,532,373**
Operating profit/(loss)	**190,775**	**(76,101)**	**(60,119)**	**648**	**55,203**
Depreciation	**20,610**	**14,277**	**52,390**	**28,248**	**115,525**
(Reversal)/provision for impairment losses on financial assets and contract assets	**(41,644)**	**2,033**	**3,590**	**3,420**	**(32,601)**

	Six months ended 30 June 2025				
	Construction	Property development	Building materials	Others	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from contracts with customers	6,134,836	1,621,065	1,789,433	311,232	9,856,566
Revenue from other sources					
Rental income	–	–	–	92,195	92,195
Total segment revenue	6,134,836	1,621,065	1,789,433	403,427	9,948,761
Less: inter-segment revenue	(477,698)	(4,717)	(741,076)	(222,703)	(1,446,194)
Revenue (from external customers)	5,657,138	1,616,348	1,048,357	180,724	8,502,567
Operating profit/(loss)	166,581	105,034	(34,731)	16,703	253,587
Depreciation	33,681	16,441	57,371	24,545	132,038
(Reversal)/provision for impairment losses on financial assets and contract assets	(53,376)	8,474	(31,494)	(318)	(76,714)

5 Other gains – net

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Demolition compensation	**51,881**	–
Gains on disposal of right-of-use for land	**–**	7,219
Government grants and compensation	**12,823**	9,987
(Losses)/gains on disposal of financial assets at FVPL	**(592)**	111
Net foreign exchange (losses)/gains	**(339)**	757
(Losses)/gains on disposal of property, plant and equipment	**(6,356)**	10,157
Fair value (losses)/gains of financial assets at FVPL	**(1,236)**	1,178
Fair value losses of investment properties	**(11,018)**	(886)
Impairment losses on construction stone mining right	**(10,032)**	–
Impairment losses on property, plant and equipment	**(8,954)**	–
Donations	**(424)**	(265)
Penalty for overdue payment of land use tax	**(11,700)**	–
Others	**1,118**	793
	15,171	29,051

6 Income tax expenses

During the period, the Group is subject to the same types of income taxes as those disclosed in 2025 Financial Statements. Income tax expenses are determined and accounted for based on management's estimate of the annual income tax rate expected for the full financial year.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**110,384**	57,524
– Land appreciation tax	**54,859**	44,026
	165,243	101,550
Deferred income tax	**(24,816)**	347
	140,427	101,897

7 (Loss)/earnings per share

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

	Six months ended 30 June	
	2026	2025
(Loss)/earnings attributable to the owners of the Company (RMB'000)	**(71,277)**	140,981
Weighted average number of ordinary shares in issue during the period (thousands shares)	**520,663**	520,663
Basic (loss)/earnings per share (RMB yuan)	**(0.14)**	0.27

The Company had no dilutive potential shares in issue during the six months ended 30 June 2026 and 2025, thus the diluted (loss)/earnings per share equalled the basic (loss)/earnings per share.

8 Investments accounted for using the equity method

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Investments in joint ventures (a)	**441,344**	439,560
Investments in associates (b)	**19,279**	21,116
	460,623	460,676

(a) Investments in joint ventures

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
At 1 January	**439,560**	481,671
Additions	**4,313**	–
Share of results	**(2,141)**	2,499
Dividends	**(690)**	(9,800)
Adjustment for transactions between the Group and joint ventures	**302**	479
At 30 June	**441,344**	474,849
Represented by share of net assets	**441,344**	474,849

(b) ***Investments in associates***

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
At 1 January	**21,116**	33,056
Disposals	**–**	(2,000)
Share of results	**(1,837)**	(7,060)
At 30 June	**19,279**	23,996
Represented by share of net assets	**19,279**	23,996

9 Trade and other receivables

	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
Non-current assets		
Loans to joint ventures (a)	**162,768**	162,807
Loans to associates (b)	**134,191**	134,350
	296,959	297,157
Current assets		
Trade receivables (c)	**5,394,144**	5,729,182
Other receivables and prepayments (d)	**2,786,196**	4,456,656
Loans to associates (b)	**3,053**	3,071
	8,183,393	10,188,909
Total trade and other receivables	**8,480,352**	10,486,066

(a) ***Loans to joint ventures***

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
At 1 January	**168,745**	459,623
Additions	**–**	144,642
Interest accrued	**972**	1,907
Repayments	**–**	(147,603)
Step-up acquisition	**–**	(289,824)
	169,717	168,745
Less: provision for loss allowance	**(6,949)**	(5,938)
At 30 June	**162,768**	162,807

RMB42,999,000 (31 December 2025: RMB42,999,000) of loans to joint ventures are interest-bearing at interest rates ranging from 4% per annum to 5.25% per annum (31 December 2025: at interest rates range from 4% per annum to 5.25% per annum). The remaining amounts of the loans are interest-free and repayable on demand. All loans to joint ventures were unsecured.

(b) ***Loans to associates***

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
At 1 January	**139,873**	139,873
Less: provision for loss allowance	**(2,629)**	(2,452)
At 30 June	**137,244**	137,421
Less: current portion	**(3,053)**	(3,071)
Non-current portion	**134,191**	134,350

Loans to associates are interest-free and unsecured.

(c) Trade receivables

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade receivables	**6,093,552**	6,436,204
Less: provision for loss allowance	**(699,408)**	(707,022)
	5,394,144	5,729,182

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

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

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Within 3 months	**1,378,519**	1,439,969
3 months to 1 year	**2,595,172**	2,807,075
1 to 2 years	**1,207,726**	1,296,080
2 to 3 years	**463,520**	477,504
Over 3 years	**448,615**	415,576
	6,093,552	6,436,204

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2026, a provision of RMB699,408,000 (as at 30 June 2025: RMB767,207,000) was made against the gross amount of trade receivables.

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

(d) ***Other receivables and prepayments***

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Other receivables:		
– Retention money and project deposits	**682,658**	728,461
– Advances to project managers (i)	**115,855**	118,675
– Government compensation	**326,588**	334,514
– Others	**194,352**	214,387
	1,319,453	1,396,037
Less: provision for loss allowance	**(16,000)**	(17,492)
	1,303,453	1,378,545
Prepayments:		
– Prepayments for land use rights for property development	**583,500**	2,189,217
– Prepayments to suppliers	**469,420**	422,713
– Prepaid income taxes	**245,099**	359,400
– Prepaid other taxes and fees	**70,130**	–
– Others	**114,594**	106,781
	1,482,743	3,078,111
Other receivables and prepayments	**2,786,196**	4,456,656

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

10 Trade and other payables

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Trade payables (a)	**8,856,798**	9,943,487
Other payables (b)	**5,508,630**	5,597,426
	14,365,428	15,540,913

(a) Trade payables

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Within 3 months	**2,860,829**	3,524,636
3 months to 1 year	**3,253,422**	3,542,414
1 to 2 years	**1,746,493**	1,861,943
2 to 3 years	**689,722**	700,691
Over 3 years	**306,332**	313,803
	8,856,798	9,943,487

(b) Other payables

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Deposits from project managers	**3,021,819**	3,157,818
Amounts due to non-controlling interests (i)	**533,716**	535,900
Amounts due to joint ventures	**35,836**	37,686
Prepayments from government for housing demolition and relocation (ii)	**451,678**	456,512
Deposits from property purchasers	**237,591**	227,019
Other taxes payables	**6,169**	30,387
Salaries payables	**29,598**	36,679
Dividends to shareholders	**44,253**	–
Others	**1,147,970**	1,115,425
	5,508,630	5,597,426

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Results Review

For the six months ended 30 June 2026, the Group achieved a consolidated revenue of approximately RMB7,532,373,000, which represents a decrease of approximately 11% compared with the corresponding period last year; operating profit amounted to approximately RMB55,203,000, which represents a substantial decrease of approximately 78% as compared with the corresponding period last year; loss attributable to the owners of the Company amounted to approximately RMB71,277,000, which represents a substantial decrease of approximately 151% compared with the profit of approximately RMB140,981,000 in the same period last year; loss per share was approximately RMB0.14, which represents a substantial decrease of approximately 152% compared with earnings per share of approximately RMB0.27 in the same period last year. During the period, the operating profit declined significantly. For the first time since its listing, the Company recorded a loss attributable to owners of the Company, which was mainly due to market conditions. As transaction prices of new-housing declines continuously, an inventory impairment losses was recorded for the property development business. For the building materials business, asset impairments was recognized and the revenue declined as the market shrinkage.

Revenue

	For the six months ended 30 June				
	2026		2025		**Change**
	RMB'000	***% of total***	*RMB'000*	*% of total*	
Construction	**5,129,090**	**68%**	5,657,138	67%	**-9%**
Property Development	**1,461,459**	**19%**	1,616,348	19%	**-10%**
Building Materials	**792,753**	**11%**	1,048,357	12%	**-24%**
Others	**149,071**	**2%**	180,724	2%	**-18%**
Total	**7,532,373**	**100%**	8,502,567	100%	**-11%**

Operating Profit/(Loss)

	For the six months ended 30 June				
	2026		2025		**Change**
	RMB'000	***% of total***	*RMB'000*	*% of total*	
Construction	**190,775**	**346%**	166,581	66%	**15%**
Property Development	**(76,101)**	**-138%**	105,034	41%	**-172%**
Building Materials	**(60,119)**	**-109%**	(34,731)	-14%	**-73%**
Others	**648**	**1%**	16,703	7%	**-96%**
Total	**55,203**	**100%**	253,587	100%	**-78%**

Construction Business

For the six months ended 30 June 2026, the Group's construction business achieved a revenue of approximately RMB5,129,090,000, representing a decrease of approximately 9% compared to the same period last year; operating profit was approximately RMB190,775,000, representing an increase of approximately 15% over the same period last year. The increase in operating profit of construction business was primarily due to the one-time compensation incomes for land, housing and demolition of approximately RMB51,881,000 recognized by two wholly-owned subsidiaries in Hubei. Excluding the impact of the one-time compensation incomes, the gross profit margin for the construction business was almost equal to the same period last year.

During the Period, the contract value of the new construction of the Group's construction business was approximately RMB3.00 billion (corresponding period of 2025: RMB5.24 billion), representing a decrease of approximately 43% compared with the same period last year, which was mainly due to a sharp market shrinkage while the Group took a more prudent approach to evaluate project risks accordingly. Some of the large-scale projects undertaken by the Group during the Period are as follows: Anchang Ancient Town Comprehensive Improvement Project (Phase I), Hangzhou Bay South Wing Low-Altitude Economy Innovation R&D Center, De Shifu 5,000-unit Energy Storage Equipment Industrialisation Project, EPC General Contracting for Semiconductor New Materials Production Base (Phase III) in Wuhan Chemical Industry Zone, Civil Construction General Contracting for Wuhan Minxin Semiconductor R&D and Production Base Project, EPCO Project for the Construction of Gaoxin Road Farmers' Market and Supporting Facilities in Lixin County, Additional Renovation Project of the African School of Governance Foundation Building in Rwanda, etc.

Property Development Business

Property Sales

For the six months ended 30 June 2026, the revenue of the Group's property development business amounted to approximately RMB1,461,459,000, which represents a decrease of approximately 10% from the corresponding period last year. Operating loss amounted to approximately RMB76,101,000, which represents a substantial decrease of approximately 172% compared with operating profit amounted to approximately RMB105,034,000 in the corresponding period last year. During the Period, the Group's property development business recorded a loss, as fewer property projects recognised revenue compared with the same period last year, the gross profit margin of the property development business continued to decline amid the ongoing downward adjustment of the industry, and an impairment loss of approximately RMB76,574,000 (corresponding period of 2025: approximately RMB28,709,000) was recognised for completed properties held for sale.

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

Project	**Location**	**Average Selling Price** *(RMB/sqm)*	**Floor Areas Sold** *(sqm)*	**Revenue** *(RMB'000)*
Baoye Four Seasons Garden	Shaoxing	17,862	25,223	450,536
Baoye Binhe Green Garden	Bozhou	4,979	41,216	205,233
Baoye Puyuan	Wuhan	13,539	10,764	145,739
Baoye Biou Jiayuan	Lishui	8,129	16,648	135,324
Baoye Sizhou Green Garden	Sixian	4,211	31,961	134,573

For the six months ended 30 June 2026, the Group's property development business achieved a contract sales value of approximately RMB1.72 billion with a total contract sales area of approximately 172,946 square metres.

Projects under Development

As at 30 June 2026, projects under development of the Group are tabulated below:

Project Name	Location	Total GFA Under Development *(sqm)*	Equity Interest of the Group
Baoye Four Seasons Garden	Shaoxing	121,632	100%
Daban Low-carbon Garden	Shaoxing	35,656	100%
Chunying Tangqianyuan	Shaoxing	78,551	70%
Xialv Project	Shaoxing	Under planning	60%
Chunying Jianglanyuan	Shaoxing	36,963	70%
Qinyuan	Yichang	99,128	100%
Baoye Longhu Yucheng	Kaifeng	300,598	60%
Baoye Junyue Green Garden	Lu'an	216,407	100%
Zhengzhou Project	Zhengzhou	Under planning	51%
Xuefu Green Garden	Sixian	Under planning	100%
Qinglan Green Garden	Bozhou	252,268	51%
Baoye • Hongqiao Guozhanli	Shanghai	54,823	100%
Baoye Riverside Garden	Wuhan	35,800	100%

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

Daban Low-carbon Garden, located in the main urban area of Keqiao District, Shaoxing City, Zhejiang Province, was acquired by a wholly-owned subsidiary of the Company in July 2024 at a total consideration of RMB291,876,600 through public bidding. The project has a total site area of approximately 14,094 square metres and a total gross floor area of approximately 35,656 square metres. It consists of 6 high-rise residential buildings of 16-17 storeys and is close to primary, junior high, high schools and the Banhu Park. The project has started presale in April 2025, and leveraging its outstanding educational resources, the project has achieved sound presale results despite the stagnant real estate market, with delivery scheduled in September 2027.

Chunying Tangqianyuan, located in Yuecheng District, Shaoxing City, Zhejiang Province, covers a total site area of approximately 42,966 square metres and a total gross floor area of approximately 78,551 square metres. In July 2024, the Group acquired this land use right at a total consideration of RMB416,000,000 through public bidding, of which the Group holds a 70% interest. With a plot ratio of 1.2 times, the project consists of 12 residential buildings of 8-10 storeys and has well-established supporting facilities and beautiful natural scenery. The project is close to Tashan and Fushan parks and surrounded by commercial landmarks like Intime Department Store and Shaoxing Place, as well as culture, tourism and education resources like Lu Xun Native Place and Shaoxing University. It is committed to creating a residential compound of high-quality, low-density garden that combines urban prosperity with poetic flavour of nature. The project has started presale in September 2025 and has almost been sold out, and is expected to be delivered by the end of 2027.

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

Chunying Jianglanyuan, located in the Pingjiang Road TOD area, Didang Subdistrict, Yuecheng District, Shaoxing City, Zhejiang Province, covers a site area of approximately 20,553 square metres and a gross floor area of approximately 54,178 square metres. In April 2026, the Group acquired this land use right at a total consideration of RMB249,000,000 through public bidding, of which the Group holds a 70% interest. The project comprises eight 16-storey residential buildings with a plot ratio of 1.8 times. The project has started construction and is expected to commence presale in April 2027.

Baoye Qinyuan, located in the center area of Wujiagang District, Yichang City, Hubei Province, acquired by a subsidiary of the Company in December 2022 at a total consideration of RMB455,100,000 through public bidding, has a total land area of approximately 73,405 square meters and a total gross floor area of approximately 196,596 square meters. The project will be constructed with a rare plot ratio of 2.0 times in the center of Yichang City. The project is surrounded by schools and is close to Binjiang Park, 1st May Square and White Horse Park. The project is developed in two phases. The first phase had been delivered to owners, the second phase is under developing with some remaining units for presale and will be delivered in 2027.

Baoye Longhu Yucheng is located in a prime area of Eastern New City, Xiangfu District, Kaifeng City, Henan Province. It has a total site area of approximately 648,000 square metres and an estimated gross floor area of approximately 972,000 square metres. After completion, it will become the city's new business centre and leisure centre. The project will be developed in five phases. The first, second and third phases have successively been delivered with only a few remaining units available for sale. The fourth and fifth phases are still under planning.

Baoye Junyue Green Garden is located in Lu'an City, Anhui Province. The project was acquired by the Group through a judicial auction in September 2017. This part has a total site area of approximately 54,220 square meters and a gross floor area of approximately 177,162.58 square metres, which was delivered at the end of 2020. The surrounding transportation of the project is convenient, the supporting facilities are well-developed, and there are parks, banks, shopping malls and other commercial facilities. In February 2019, the project company obtained another land use right with a total site area of approximately 111,947 square meters on the west side of the project, which consists of 21 high-rises and will be developed in two phases. At present, all the buildings have been delivered except for the remaining two buildings of Phase II, which are under construction with their main structure completed and are scheduled to be completed and delivered by the end of 2026.

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

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

Qinglan Green Garden, located in Lixin County, Bozhou City, Anhui Province, has a site area of approximately 171,109 square meters and a gross floor area of approximately 404,465 square meters with a plot ratio of 1.8. A subsidiary of the Company obtained this land use right in September 2021 at a total consideration of RMB565,000,000. The Company holds 51% interest in the project. Phases I and II of the south part of the project have been delivered, while Phase III is currently under presale. The south part is expected to be delivered in August 2026.

Baoye • Hongqiao Guozhanli, located in the Xujing area, Qingpu District, Shanghai, has a total site area of approximately 24,920 square meters, with a planned gross floor area of approximately 54,823 square meters. A wholly-owned subsidiary of the Company acquired this land use right in November 2025 at a total consideration of RMB1,730,240,000. The project comprises nine residential buildings ranging from 15 to 18 storeys with a plot ratio of 2.2 times, and benefits from a full range of commercial, transportation and industrial resources in its vicinity. Positioned as "West Hongqiao improved housing benchmark", the project will leverage our proprietary prefabricated construction system and ultra-low energy consumption technology, and create a new model of "technological one-hundred-year housing" that is healthy, comfortable and energy-efficient. The project has commenced presale in July 2026.

Baoye Riverside Garden, located at the intersection of Linjiang Avenue and Jianshe First Road in Qingshan District, Wuhan City, Hubei Province, enjoys unparalleled panoramic riverside views. A wholly-owned subsidiary of the Company acquired this land use right at a total consideration of RMB323,400,000 through public bidding in December 2025. The project has a site area of approximately 16,229 square meters and a gross floor area of approximately 35,800 square meters with a plot ratio of 2.3 times. Drawing on our one-hundred-year housing construction strength covering the entire industrial chain, the project is intended to be developed into a rare improved project in the Wuchang riverside region. The main structure construction of the underground garage has been completed, and above-ground structural work has commenced.

New Land Reserve

Time table	**Location**	**Cost** *(RMB'000)*	**Land area** *(sqm)*	**Equity**
April, 2026	Shaoxing City, Zhejiang Province	249,000	20,553	70%

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

Building Materials Business

For the six months ended 30 June 2026, the revenue of the Group's building materials business was approximately RMB792,753,000, representing a decrease of approximately 24% compared to the same period last year; operating loss was approximately RMB60,119,000, which represents an obvious increase in loss of approximately 73% over the same period last year. The increase in operating loss was mainly attributable to intensified industry competition resulting from market contraction, which led to increased losses of certain building materials business segments, coupled with the impairment losses of approximately RMB10,032,000 and RMB8,954,000 on construction stone mining right and property, plant and equipment, respectively.

The revenue breakdown of the Group's building materials for the six months ended 30 June 2026 is analysed below:

	For the six months ended 30 June				
	2026		2025		**Change**
	RMB'000	***% the total***	*RMB'000*	*% the total*	
Curtain Wall	**485,928**	**61%**	709,377	68%	**-31%**
Furnishings and Interior Decorations	**70,195**	**9%**	89,070	8%	**-21%**
Ready-mixed Concrete	**16,731**	**2%**	21,638	2%	**-23%**
PC Assembly Plate	**140,065**	**17%**	127,085	12%	**10%**
Wooden Products and Fireproof Materials	**29,473**	**4%**	29,333	3%	**0%**
Steel Structure	**5,132**	**1%**	5,281	1%	**-3%**
Others	**45,229**	**6%**	66,573	6%	**-32%**
Total	**792,753**	**100%**	1,048,357	100%	**-24%**

Construction stone mining rights

An indirect wholly-owned subsidiary of the Company, owns a construction stone mining right located in Yichang City, Hubei Province for a term of 23 years with a mine area of approximately 0.3323 square kilometres. As at June 2025, the production line has started the production. An impairment loss of approximately RMB10,032,000 (as at 30 June 2025: 0) was recognized during the period of 2026 due to the downward trend of the construction industry and the shrinkage of the market demand.

BUSINESS PROSPECT

Construction Business

As the pace of urbanization in China slows and major infrastructure investment and construction are largely completed, the construction industry faces a sharp market contraction across sectors such as residential construction, infrastructure development, municipal works and industrial projects. In the future, the industry will undergo a transformation toward industrialisation, digitalization and green development, with construction companies shifting from scale-oriented competition to competition centered on technology, management and full life-cycle services. In the context of industry transformation and evolving times, the Group's construction business is redirecting its focus toward urban renewal projects, new-type infrastructure construction, and new market breakthroughs in artificial intelligence, high-end manufacturing facilities, and data centers. Building on its existing overseas presence in Africa, the Group will pilot infrastructure projects in Southeast Asia, the Middle East, and other regions. Guided by the development philosophy of "building houses like making cars" and driving the transformation and upgrading of construction industry through construction industrialization, the Group will reinforce its capabilities through quality and technology, maintain prudent operations, and shore up the foundation for development.

Property Development Business

Following an era of rapid expansion characterized by high leverage, high turnover and large-scale construction of new housing, China's property sector has now entered a new stage of development defined by a focus on housing stock market, a dual-track approach, intensifying divergence, and a priority on quality. The core objective is to create a new development model for the real estate sector, achieving a soft landing and high-quality growth. Despite making early adjustments to the development model in response to industry upheaval, our property development business has encountered challenges in some existing housing projects in recent years, given the drastic market changes and a new development stage. At present, the development of "good houses" is building momentum, both in terms of policy and market. During the Period, the "Integrated Technology for Energy Conservation and Quality Improvement of Good Houses" developed by the Group has been included in the Product Catalog for Promotion of Key Energy-Saving and Carbon-Reducing Technologies (2025-2026) by the China Energy Conservation Association as one of only twelve key energy-saving and carbon-reducing technologies selected nationwide, which embodies our positive contribution to the green transition of economic and social development in all respects and to the achievement of the "dual carbon" goals. Looking ahead, as the 15th Five-Year Plan is gradually rolled out, the "good houses" development will emerge as a key battleground for the transformation of property sector. The Group's property development business will remain steadfast in its pursuit of tech innovation as its backbone and craftsmanship excellence as its soul, and iterate the "Baoye one-hundred-year technological housing" to deliver advanced products featuring energy conservation, health and craftsmanship, staying true to the original aspiration and commitment of "Good houses built by Baoye".

Housing Industrialisation Business

The key factors now constraining the release of core value in the construction industry are not a lack of advanced technology or high-end equipment, but rather the insufficient capabilities in management and control across the entire chain, standard formulation and dissemination, and industrial ecosystem integration. The essence of construction industrialization lies in "transforming the construction industry through industrialized logic". China's construction and real estate sectors are drawing on the automotive industry by adopting industrialized approaches and integrating intelligent and digital technologies into production, with the aim of building houses into high-quality products. As the vision of "building houses like making cars" has grown into a national strategy, China's construction industry is undergoing a profound transformation from "construction" to "manufacturing". With this shift, construction industrialization has been entrusted with a new mission for the new era, embarking on the path toward automotive-style upgrading of innovation-driven and high-quality development. Being one of the first movers in China's construction industrialization, Baoye has built its foundation on refined management and control, whole-of-chain synergy, and standardized systems. Through in-depth collaboration with global Industry 4.0 benchmark enterprises, the Company has introduced internationally leading technologies and processes, and vigorously developed prefabricated concrete structural system and light-gauge steel structural system. Leveraging an EPC integrated system comprising 80,000 components and an extensive industrial chain, Baoye delivers advanced one-hundred-year technological building products to society, thereby driving high-quality development in China's construction industrialization and building energy conservation and emission reduction. In response to "carbon peaking and carbon neutrality", Baoye will focus on resource integration and industrial chain extension, accelerate technological innovation and engineering application in construction industrialization, and integrate more building energy-saving technologies as well as comfort and health features into the entire residential industry chain, thereby driving the industry toward high-quality development of value creation across the entire chain.

FINANCIAL REVIEW

Financial Policies

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

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

Financial Resources and Liabilities

With the support of steady increase in cash flow, sound credit record and excellent reputation in the industry, the Group preserved the AAA credit rating by a credit rating institution recognised by the People's Bank of China. Such excellent credit rating will benefit the Group's financing activities and allow the Group to continue to enjoy the prime rate offered by the banks. During the Period under review, the Group maintained part of its borrowings on an unsecured basis. The amount of secured debt accounted for approximately 33% (corresponding period of 2025: 9.9%) of the total borrowings. In addition, approximately 42.2% of the total borrowings (corresponding period of 2025: 51.9%) were guaranteed by the Company; approximately 0.2% of the total borrowings (corresponding period of 2025: 0.3%) were jointly guaranteed by the Company and non-controlling interests to the lending banks. Leveraging its excellent credit rating, the Group intends to continue to obtain its borrowings on an unsecured basis, which will be supplemented by project financing when necessary.

The Group's objectives of the management of capital and financial resources are to safeguard the sustainable development of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's financial position has been satisfactory and has continued to maintain a net cash position. The Group has sufficient capital resource to expand its business. As at 30 June 2026, the untapped banking facilities of the Group amounted to approximately RMB8 billion. As at 30 June 2026, the Group's gearing ratio (being its total liabilities divided its total equity) was 2.1 (31 December 2025: 2.1).

Details of which are analysed below:

	As at 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cash and cash equivalents	**9,173,988**	8,247,942
Term deposits over three months	**1,813,237**	1,218,215
Restricted bank deposits	**998,859**	1,561,380
Less: total borrowings	**(4,912,771)**	(3,979,474)
Net cash	**7,073,313**	7,048,063
Total equity attributable to owners of the Company	**12,902,314**	13,031,090
Net cash ratio	**55%**	54%

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

Other Key Financial Ratios

	For the six months ended/ As at 30 June	
	2026	2025
Return on equity	**-0.55%**	1.08%
Net assets value per share (RMB yuan)	**24.78**	25.03
Current ratio	**1.31**	1.23

Return on equity	=	profit attributable to the owners of the Company/total equity attributable to the owners of the Company
Net assets value per share	=	total equity attributable to the owners of the Company/ number of issued shares at the end of the Period
Current ratio	=	current assets/current liabilities

During the Period, the loss attributable to owners of the Company was approximately RMB71,277,000, a substantial decrease of approximately 151% compared with the profit of approximately RMB140,981,000 in the same period last year, and the return on shareholders' equity decreased sharply by approximately 151% compared with the same period last year. As at 30 June 2026, the Group was still in a net cash position with a net cash ratio of 55%.

Cash Flow Analysis

		For the six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Net cash generated from operating activities	*(i)*	**1,437,131**	475,628
Net cash generated from/(used in) investing activities	*(ii)*	**456,336**	(467,331)
Net cash generated from financing activities	*(iii)*	**823,612**	232,696
Net increase in cash and cash equivalents		**2,717,079**	240,993

Notes:

(i) During the Period under review, the net cash generated from operating activities was approximately RMB1,437,131,000, representing an increase of cash inflow of approximately RMB961,503,000 compared to the same period last year, which was mainly due to the increase in pre-sales income from the property development business;

(ii) During the Period under review, the net cash generated from investing activities was approximately RMB456,336,000, representing an increase of cash inflow of approximately RMB923,667,000 compared to the same period last year, which was mainly due to the decrease in term deposits over three months;

(iii) During the Period under review, the net cash generated from financing activities was approximately RMB823,612,000, representing an increase of cash inflow of approximately RMB590,916,000 compared to the same period last year, which was mainly attributable to the increase in bank borrowings during the Period.

Administrative Expenses

The Group's administrative expenses amounted to approximately RMB304,312,000 for the six months ended 30 June 2026, which is almost equal to that of approximately RMB315,081,000 for the same period last year, as the administrative expenses were mainly from the fixed expenses.

Finance Costs – Net

For the six months ended 30 June 2026, the Group had registered finance income of approximately RMB9,103,000, finance costs of approximately RMB29,272,000 and net finance costs of approximately RMB20,169,000 (corresponding period of 2025: net finance costs of approximately RMB3,698,000), representing an increase of approximately RMB16,471,000 compared to the same period last year, mainly due to the decrease in interest capitalised in properties under development during the Period.

Income Tax Expenses

For the six months ended 30 June 2026, income tax expenses comprised of PRC corporate income tax of approximately RMB110,384,000 (corresponding period of 2025: approximately RMB57,524,000) and PRC land appreciation tax of approximately RMB54,859,000 (corresponding period of 2025: approximately RMB44,026,000), representing an increase of approximately RMB10,833,000 compared to the same period last year, primarily due to the land appreciation tax settlement for prior-period projects during the Period, with additional land appreciation tax recognized in line with the settlement results.

Financial Guarantees

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Guarantees given to banks in respect of mortgage facilities granted for certain purchasers (a)	**1,101,032**	1,189,828
Guarantees to an associate in respect of borrowings (b)	**50,000**	49,980
Total	**1,151,032**	1,239,808

(a) The Group provided guarantees in respect of mortgage facilities granted by banks relating to the mortgage loans arranged for purchasers of properties developed by the Group. The banks will release such guarantees upon the delivery of the building ownership certificates of such properties to banks as securities.

(b) These mainly represented the maximum exposure of the guarantees provided for borrowings of an associate.

Details of the Charges on the Group's Assets

As at 30 June 2026, properties under development, right-of-use for land, property, plant and equipment with an aggregate carrying value of approximately RMB2,763,714,000 (as at 31 December 2025: approximately RMB1,630,941,000) were pledged to banks as security in securing bank borrowings.

Capital Expenditure Plan

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

Fluctuation of RMB Exchange Rate and Foreign Exchange Risks

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

2025 Final Dividend

At the Board meeting of the Company dated 27 March, 2026, the Board proposed a final dividend of RMB0.085 (2024: RMB0.12) per ordinary share for the year ended 31 December 2025. The proposal on the profit distribution for the year 2025 had been approved at the 2025 annual general meeting of the Company dated 18 June 2026.

2026 Interim Dividend

The Board resolved not to declare any payment of interim dividend for the six months ended 30 June 2026 (corresponding period of 2025: Nil).

Connected Transactions

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

Contingent Liabilities

As at 30 June 2026, neither the Company nor the Group had any significant contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries, Joint Ventures and Associates

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

Purchase, Sale or Redemption of Shares of the Company

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Litigation and Arbitration

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

Entrusted Deposits and Overdue Time Deposits

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

Human Resources

As at 30 June 2026, the Group had a total of approximately 5,555 permanent employees (as at 30 June 2025: 5,866). There were also approximately 42,792 indirectly employed construction site workers (as at 30 June 2025: 44,946). These workers were not directly employed by the Group. For the six months ended 30 June 2026, the total employee benefit expenses amounted to approximately RMB1,518,016,000 (the corresponding period in 2025: RMB1,595,142,000). Employee benefit expenses include salaries, insurance and other benefits. Remuneration is determined by reference to market terms as well as the performance, qualification and experience of individual employee. The Group is subject to social insurance contribution plans organised by the PRC local government. In accordance with relevant national and local labor and social welfare laws and regulations, employee benefits provided by the Group include pension and medical insurance coverage, injury insurance, maternity insurance and unemployment insurance. The Group highly values human resources management, and is devoted to establishing a high-quality team to support its long-term business development. The Group is continuously working on devising, revising and implementing a more effective employee incentive plan and training plan to encourage superior performance of employees to fit into the Group's long term development plan.

Corporate Governance Practices

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

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

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

Model Code for Securities Transactions by Directors and Supervisors

The Board and the supervisory committee (the "**Supervisory Committee**") have adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct for securities transactions by the Directors and the supervisors of the Company (the "**Supervisors**"). Specific enquiries have been made by the Company and all the Directors and the Supervisors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026. If any related employees possess information which may be considered as sensitive to the Company's share price and such information is not public, such employee has to comply with the written guidelines, which is as strict as the Model Code.

Changes in Directors' and Supervisors' Information

As at the date of this announcement, there was no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules regarding to changes in Directors' and Supervisors' information.

Audit Committee

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

Review of Interim Results

The interim results of the Group for the six months ended 30 June 2026 had been reviewed by the Audit Committee before being approved by the Board. The independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

Publication of Interim Report

The full text of the Group's 2026 Interim Report for the six months ended 30 June 2026 will be sent to the shareholders of the Company and posted on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.baoyegroup.com) respectively in due course.

Appreciation

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

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

Zhejiang, the People's Republic of China
28 August 2026

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