



Zhongshen Jianye Holding Limited

中深建業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock code : 2503

2025

INTERIM REPORT



CONTENTS

02	Corporate Information
04	Management Discussion and Analysis
12	Corporate Governance and Other Information
15	Unaudited Condensed Consolidated Statement of Comprehensive Income
16	Unaudited Condensed Consolidated Balance Sheet
18	Unaudited Condensed Consolidated Statement of Changes in Equity
19	Unaudited Condensed Consolidated Statement of Cash Flows
20	Notes to the Unaudited Condensed Consolidated Interim Financial Statements



CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Sang Xianfeng (*Chairman*)
Mr. Xian Yurong (*Chief Executive Officer*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Liu Zhihong
Mr. Zeng Qingli
Mr. Xie Huagang

AUDIT COMMITTEE

Ms. Liu Zhihong (*Chairlady*)
Mr. Zeng Qingli
Mr. Xie Huagang

REMUNERATION COMMITTEE

Mr. Xie Huagang (*Chairman*)
Ms. Liu Zhihong
Mr. Zeng Qingli

NOMINATION COMMITTEE

Mr. Zeng Qingli (*Chairman*)
Ms. Liu Zhihong
Mr. Xie Huagang

COMPANY SECRETARY

Mr. Ng Ka Chai

AUTHORISED REPRESENTATIVES

Mr. Xian Yurong
Mr. Ng Ka Chai

PRINCIPAL BANKERS

China Construction Bank
Shenzhen Futian Yinzuo Rural Bank

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

8/F, Block B, Building 4
Huaqiang Creative Industrial Park
Guangming Street
Guangming District
Shenzhen
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1204, 12/F
C C Wu Building
302-308 Hennessy Road
Wan Chai
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Loeb & Loeb LLP

2206–19, Jardine House
1 Connaught Place
Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

17/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Crowe (HK) CPA Limited

9/F, Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

COMPANY WEBSITE

www.zsjy.top

COMPLIANCE ADVISER

Kingsway Capital Limited

7/F, Tower 1
Lippo Centre
89 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Zhongshen Jianye Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is a growing private general contracting construction enterprise in the People’s Republic of China (the “**PRC**”) and have been granted five first-grade construction contracting qualifications, including (i) the first-grade qualification in building construction general contracting (建築工程施工總承包一級); (ii) the first-grade qualification in municipal and public construction general construction (市政公用工程施工總承包一級); (iii) the first-grade qualification in foundation construction specialised contracting (地基基礎工程專業承包一級); (iv) the first-grade qualification in building electrical and mechanical installation and engineering specialised contracting (建築機電安裝工程專業承包一級); and (v) the first-grade qualification in building renovation and decoration construction specialised contracting (建築裝修裝飾工程專業承包一級). We also attain six other second-grade construction contracting qualifications covering different specialisations such as petrochemical engineering construction, steel structure construction and environmental protection construction. We were the recipient of the award named “Top 500 Enterprises in Shenzhen” (深圳500強企業) in 2020, 2021, 2022, 2023 and 2024.

We provide our customers with professional and comprehensive construction services as a general coordinator or subcontractor, responsible for the overall coordination and management of a construction project, which cover workplan formulation, labour recruitment, leasing of equipment and machinery, procurement of construction raw materials and quality and construction progress control. The Group primarily engages in the provision of construction services comprising (i) construction engineering works; (ii) municipal and public construction works; (iii) foundation engineering works; and (iv) specialised contracting works.

FINANCIAL REVIEW

Revenue

The Group recorded a decrease in revenue by approximately RMB177.7 million or 46.9% from approximately RMB379.0 million for the six months ended 30 June 2024 to approximately RMB201.3 million for the six months ended 30 June 2025. Such decrease was mainly attributable to the decrease in number of construction projects in the current period.

The following table sets forth the breakdown of our revenue by project type for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Construction projects				
Construction engineering projects	103,518	51.4	246,900	65.1
Municipal and public construction projects	74,283	36.9	126,144	33.3
Foundation engineering projects	2,009	1.0	2,412	0.6
Specialised contracting projects	21,466	10.7	3,570	1.0
Total	201,276	100.0	379,026	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Construction engineering projects

Construction engineering projects primarily consist of structural and/or engineering works for commercial and residential buildings and community facilities. Revenue generated from construction engineering projects decreased by approximately RMB143.4 million or 58.1% from approximately RMB246.9 million for the six months ended 30 June 2024 to approximately RMB103.5 million for the six months ended 30 June 2025. Such decrease was mainly attributable to the decrease in revenue recognised from certain projects which were completed or approaching the later stage of development in 2025.

Municipal and public construction projects

Municipal and public construction projects primarily consist of urban and rural public infrastructure construction, including environment improvement works, construction of sewage treatment infrastructure and roadwork. Revenue generated from municipal and public construction projects decreased by approximately RMB51.9 million or 41.1% from approximately RMB126.1 million for the six months ended 30 June 2024 to approximately RMB74.3 million for the six months ended 30 June 2025. Such decrease was mainly attributable to the decrease in revenue recognised from certain projects which were approaching the later stage of development in 2025 and lower contract value of new projects secured in 2025.

Foundation engineering projects

Foundation engineering projects primarily consist of earthwork and foundation construction and slope protection work. Revenue generated from foundation engineering projects decreased by approximately RMB0.4 million or 16.7% from approximately RMB2.4 million for the six months ended 30 June 2024 to approximately RMB2.0 million for the six months ended 30 June 2025.

Specialised contracting projects

Specialised contracting projects primarily consist of building renovation and decoration works services. Revenue generated from specialised contracting projects increased by approximately RMB17.9 million or 501.3% from approximately RMB3.6 million for the six months ended 30 June 2024 to approximately RMB21.5 million for the six months ended 30 June 2025. Such increase was mainly attributable to the commencement of certain new projects with relatively higher contract value during the six months ended 30 June 2025.

Cost of revenue

The following table sets forth the breakdown of our cost of revenue by nature for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Raw material costs	100,513	53.1	146,025	40.9
Labour subcontracting costs	52,939	27.9	118,278	33.1
Specialised construction subcontracting costs	26,917	14.2	55,089	15.4
Equipment and machinery usage costs	5,262	2.8	32,074	9.0
Other project costs	3,804	2.0	5,887	1.6
Total cost of revenue	189,435	100.0	357,353	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of revenue primarily comprised (i) raw material costs, which represented costs of raw materials used primarily in our construction projects; (ii) labour subcontracting costs, which represented fees paid to subcontractors to provide labour services; (iii) specialised construction subcontracting costs, which represented fees paid to subcontractors to provide certain specialised construction services, usually included costs of equipment and raw materials used in their subcontracted work; and (iv) equipment and machinery usage costs, which represented the costs incurred for leasing equipment and machinery for our construction projects. Each of these costs may vary from project to project depending on various factors, including but not limited to, the scope and complexity of works, the method and sequence of construction, the stages of construction and necessary equipment and machinery.

The decrease in cost of revenue of approximately RMB167.9 million or 47.0% for the six months ended 30 June 2025 as compared to that for the six months ended 30 June 2024 was in line with the decrease in revenue resulting from the reduced number of construction projects in the current period.

Gross profit and gross profit margin

The following table sets forth the breakdown of our gross profit and gross profit margin by project type for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June			
	2025		2024	
	Gross profit	Gross profit	Gross profit	Gross profit
	RMB'000	margin	RMB'000	margin
		%		%
Construction projects				
Construction engineering projects	7,003	6.8	14,905	6.0
Municipal and public construction projects	3,509	4.7	6,433	5.1
Foundation engineering projects	119	5.9	147	6.1
Specialised contracting projects	1,210	5.6	188	5.3
Total	11,841	5.9	21,673	5.7

Gross profit margin of construction engineering projects grew from approximately 6.0% for the six months ended 30 June 2024 to approximately 6.8% for the six months ended 30 June 2025. Such growth was mainly attributable to the recognition of revenue for certain projects after final settlement. Excluding completed and settled projects, the gross profit margin was approximately 6.0%, which was similar to last year.

Gross profit margin of municipal and public construction projects decreased from approximately 5.1% for the six months ended 30 June 2024 to approximately 4.7% for the six months ended 30 June 2025. Such decrease was primarily attributable to the commencement of certain new projects in the current period which has a relatively lower profit margin.

Gross profit margin of foundation engineering projects remained relatively stable for the six months ended 30 June 2025 and 2024.

Gross profit margin of specialised contracting projects generally depends on or would be affected by various factors such as the nature, complexity and duration of the projects concerned.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

Administrative expenses primarily consist of staff costs, depreciation and amortisation and professional fees.

The decrease in administrative expenses of approximately RMB0.6 million or 2.9% for the six months ended 30 June 2025 was mainly attributable to the absence of recognition of listing expenses, partially offset by the increase in depreciation of property, plant and equipment in current period.

Finance costs

Finance costs primarily consist of interest expenses on factoring, bank borrowings and lease liabilities. The increase in finance costs for the six months ended 30 June 2025 was mainly attributable to the increase in interest expenses on bank borrowings and factoring, and decrease in interest income from bank deposits.

Income tax credit/(expense)

Income tax credit/(expense) primarily consists of corporate income tax and movements in deferred income tax assets.

(Loss)/profit and total comprehensive (loss)/income for the period

As a result of the foregoing, the Group's (loss)/profit for the period turnaround from a profit of approximately RMB0.3 million for the six months ended 30 June 2024 to a loss of approximately RMB11.8 million for the six months ended 30 June 2025, which was mainly attributable to the decrease in revenue and gross profit for reasons mentioned in the paragraphs above and the recognition of impairment losses on trade and other receivables and contract assets.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

As at 30 June 2025 and 31 December 2024, we had cash and cash equivalents of approximately RMB99.7 million and RMB96.7 million, respectively. Our primary uses of cash were mainly for financing our daily operations and working capital requirements in relation to the execution of our projects, including payment for procurement of raw materials and subcontracting costs.

Bank borrowings

As at 30 June 2025, the Group had current bank borrowings of approximately RMB69.6 million (31 December 2024: RMB33.0 million) and no non-current bank borrowings (31 December 2024: RMB23.3 million), and were denominated in RMB. Bank borrowings of approximately RMB69.6 million (31 December 2024: RMB30.0 million) bear interest at fixed rates and no bank borrowings bear interest at variable rates (31 December 2024: RMB26.3 million). The bank borrowings were primarily used for the Group's working capital.

Gearing ratio

Gearing ratio is calculated as total borrowings (i.e. bank borrowings) divided by the total equity as at the respective reporting dates. The gearing ratio as at 30 June 2025 was approximately 13.6% (31 December 2024: 11.8%).

MANAGEMENT DISCUSSION AND ANALYSIS

Net debt to equity ratio

Net debt to equity ratio is calculated as net debts (i.e. bank borrowings, net of cash and cash equivalents) divided by total equity as at the respective reporting dates.

The net debt to equity ratio was not applicable as at 30 June 2025 and 31 December 2024 as the Group had net cash position as at both dates.

Prepayments to suppliers

The Group's prepayments to suppliers mainly represents the prepayment to raw materials suppliers and labour subcontractors. For the Group's regular labour subcontractors, we maintained a policy of providing advance payments at agreed percentages to ensure timely payment to workers.

Treasury management

The Group has a sufficient level of cash and banking facilities for the conduct of its trade in the normal course of business. The management of the Group closely reviews trade receivables balances and any overdue balances on an ongoing basis and only trade with creditworthy parties. The management of the Group closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements to manage liquidity risk.

Capital expenditures and commitments

The Group did not incur any capital expenditures for the six months ended 30 June 2025 (30 June 2024: RMB4.6 million).

The Group had capital commitments amounted to approximately RMB5.0 million as at 30 June 2025 (31 December 2024: RMB5.0 million).

Foreign exchange exposure

The majority of the Group's revenue and expenditures are denominated in RMB, the functional currency of the Company, except that minimal expenditures are denominated in Hong Kong dollars. The Group does not expect to face any significant foreign exchange risk that might have a material impact on the operating results of the Group. The Group has not used any financial instrument to hedge the foreign exchange risk that it is exposed to currently. However, the management of the Group monitors our foreign exchange exposure and will consider hedging significant foreign exchange risk should the need arise.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's land and building with a net carrying amount of approximately RMB43.6 million (31 December 2024: RMB44.7 million) were pledged to secure certain interest-bearing bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCES

The directors of the Company (the “**Directors**”) considered that the Group has maintained good relationships with its employees, and has not experienced any significant problems with employees or any disruptions to operations due to labour disputes, nor has experienced any difficulties in the recruitment or retention of experienced staff or skilled personnel during the six months ended 30 June 2025.

As at 30 June 2025, the Group has 244 employees in total, all of them are located in the PRC. The Group recruits employees from the open market by placing recruitment advertisements and offering competitive remuneration packages. Training courses are provided for our staff to ensure their competence and to keep them abreast of the latest developments and best practices in the industry to enhance their work performance. For the six months ended 30 June 2025, total staff costs were approximately RMB13.1 million (30 June 2024: RMB12.7 million).

The Group has established various welfare plans including the provision of basic medical insurance, unemployment insurance and other relevant insurance for employees in the PRC pursuant to the PRC rules and regulations and the existing policy requirements of the local government.

PROSPECT

According to the “14th Five-Year Plan (2021–2025) for National Economic and Social Development” (《國民經濟和社會發展「十四五規劃」(2021–2025)》), it has proposed to speed up the construction of infrastructure in the PRC covering sectors such as transportation, water conservancy and energy facilities, to further improve national basic public services level. Moreover, the provincial government of Guangdong Province has also released a corresponding five-year plan to promote the construction industry, where efforts will be made to strengthen the development of infrastructure and other construction sectors. It is anticipated that the demand for construction services will continue to grow with favourable policies announcement by the PRC government. The total output value of construction market in Guangdong Province has achieved growth at a CAGR of approximately 9.4% from 2020 to 2024, reaching approximately RMB2,636.4 billion in 2024 and is expected to further grow at a CAGR of approximately 5% to 8%. In view of the above, the Group will bestow its extensive experience and knowledge in construction services to solidify and broaden its construction service offerings and enhance its market presence to capture more opportunities in the PRC and in particular in the Guangdong Province.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As disclosed in the announcement of the Company dated 10 January 2025, the Company intended to apply net proceeds of approximately HK\$30.0 million (equivalent to approximately RMB27.7 million) from the subscription of new shares for potential acquisition in one or multiple construction companies attained with qualifications and licenses related to municipal and public construction works, such as construction design and urban planning, etc., and with a good track record. As at the date of this interim report, the Group has not entered into any letters of intent or legally binding agreements with respect to such acquisition nor had it identified any definite acquisition targets. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Save as disclosed in this interim report, the Group did not have any other immediate plans for material investments and capital assets.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM SHARE OFFERING

The Company's shares (the "**Shares**") were listed on the Main Board of the Stock Exchange on 9 January 2024. The Company intends that the net proceeds (after deducting related underwriting fees and listing expenses) of approximately RMB77.3 million be applied according to the manner and percentage allocation as described under the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 28 December 2023 (the "**Prospectus**"). The following table sets forth the status of the use of the net proceeds as at 30 June 2025:

	Net proceeds to be applied in the percentage allocation stated in the Prospectus RMB million	Utilised net proceeds up to 30 June 2025 RMB million	Unutilised net proceeds as at 30 June 2025 RMB million	Expected timeline for utilising the unutilised net proceeds
(1) Funding the capital needs and cash flow of certain projects	35.3	35.3	—	N/A
(2) Acquiring equipment and machinery	31.9	—	31.9	By 31 December 2025
(3) Hiring additional manpower	5.4	1.3	4.1	By 31 December 2026
(4) Working capital and other general corporate purposes	4.7	4.7	—	N/A
Total	77.3	41.3	36.0	

USE OF PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 10 January 2025, the Company entered into six separate subscription agreements with six subscribers in respect of the subscription of an aggregate of 102,960,000 subscription shares at the subscription price of HK\$0.50 per share. The subscription was completed on 6 February 2025. For further details, please refer to the announcements of the Company dated 10 January 2025, 20 January 2025 and 6 February 2025. The net proceeds (after deducting all applicable costs and expenses) from the subscription were approximately HK\$51.3 million (equivalent to approximately RMB47.2 million). The following table set forth the status of the use of net proceeds as at 30 June 2025:

	Net proceeds RMB million	Utilised net proceeds up to 30 June 2025 RMB million	Unutilised net proceeds as at 30 June 2025 RMB million	Expected timeline for utilising the unutilised net proceeds
(1) Potential acquisition in construction companies	27.7	—	27.7	By 31 December 2025
(2) General working capital	19.5	19.5	—	N/A
Total	47.2	19.5	27.7	

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025.

EVENT AFTER THE BALANCE SHEET DATE

On 2 July 2025, the Company entered into six separate subscription agreements with six subscribers in respect of the subscription of an aggregate of 123,552,000 shares of the Company at the subscription price of HK\$0.61 per share. Such subscription was completed on 17 July 2025. For further details, please refer to the announcements of the Company dated 2 July 2025, 3 July 2025 and 17 July 2025.

Save as disclosed above, there are no significant events which had material effect on the Group subsequent to the end of the reporting period of the Company and up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Directors believe that good corporate governance must be driven by the tone at the top and must be due diligently executed and monitored in our day-to-day management. The Directors have reviewed the Company's corporate governance practices and are satisfied that the Company has applied the principles and complied with the code provisions as set out in the Corporate Governance Code in Part 2 of Appendix C1 of the Listing Rules during the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the securities transactions of the Directors on terms no less exacting than the required standard set out in the model code in Appendix C3 of the Listing Rules (the **"Model Code"**) as its code of conduct for dealings in securities of the Company by the Directors during the six months ended 30 June 2025.

The Company has made specific enquiries to all the Directors and they confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 30 June 2025. The Company has also adopted the Model Code as the reference of dealings in the Company's securities by the relevant employees who are likely to possess inside information of the Company and/or its securities. The Company is not aware of any incident of non-compliance with the required standard set out in the Model Code by the Directors and employees.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interest or short positions of the Directors or chief executives in the shares, underlying share or debentures of the Company and the associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code required to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in Shares

Name of Director	Capacity	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Mr. Sang Xianfeng	Interest in a controlled corporation	284,172,240 (L) ⁽²⁾	46.00%
Mr. Xian Yurong	Interest in a controlled corporation	71,040,560 (L) ⁽³⁾	11.50%

Notes:

1. The letter "L" denotes long position in our Shares.
2. These represent the shares held by Zhongshen Hengtai Capital Limited (**"Zhongshen Hengtai"**), a company wholly-owned by Mr. Sang Xianfeng.
3. These represent the shares held by Zhongshen Chitai Capital Limited (**"Zhongshen Chitai"**), a company wholly-owned by Mr. Xian Yurong.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Number of shares held	Percentage of shareholding
Mr. Sang Xianfeng	Zhongshen Hengtai	Beneficial owner	100 ^(Note)	100%

Note: Mr. Sang Xianfeng beneficially owns the entire issued share capital of Zhongshen Hengtai. He is also the sole director of Zhongshen Hengtai.

Save as disclosed herein, as at 30 June 2025, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of the associated corporations (within the meaning of the SFO) which required to be notified the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as is known to our Directors, the following persons (not being a Director or chief executive of our Company) had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Substantial Shareholders	Capacity	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Zhongshen Hengtai	Beneficial owner	284,172,240 (L)	46.00%
Zhongshen Chitai	Beneficial owner	71,040,560 (L)	11.50%
Ms. Jin Wei	Interest of spouse	71,040,560 (L) ⁽²⁾	11.50%

Notes:

- The letter "L" denotes long position in our Shares.
- Ms. Jin Wei is the spouse of Mr. Xian Yurong. By virtue of the SFO, Ms. Jin Wei is deemed to be interested in all the Shares in which Mr. Xian Yurong is interested.

Save as disclosed herein, as at 30 June 2025, none of the Directors knows of any person (not being a Director or chief executive of our Company) who had any interest in the shares or underlying shares which fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPETING INTERESTS

None of the controlling shareholders, namely Zhongshen Hengtai and Mr. Sang Xianfeng, the Directors or their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by the Group which comprises or is likely to compete, directly or indirectly, with the Group's business during the six months ended 30 June 2025 and up to the date of this report.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, the Company has appointed Kingsway Capital Limited as its compliance adviser (the “**Compliance Adviser**”). Except for the compliance adviser agreement entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or close associates has any interests in relation to the Company which is required to be notified to the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

MATERIAL ACQUISITION AND DISPOSAL

There was no material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2025.

SIGNIFICANT INVESTMENTS

As at 30 June 2025, the Group did not have any significant investments.

AUDIT COMMITTEE

The primary duties of the audit committee of the Board of directors (the “**Board**”) are to review and supervise the Group's financial reporting process and internal control and risk management systems, and to formulate or review policies relating to anti-bribery compliances by ensuring regular management review of relevant corporate governance measures and its implementation and to communicate with external auditor on the audit strategy. The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 and this interim report.

On behalf of the Board
Zhongshen Jianye Holding Limited
Sang Xianfeng
Chairman and executive director

Hong Kong, 29 August 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in RMB thousands unless otherwise stated)

	Note	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	5	201,276	379,026
Cost of revenue	6	(189,435)	(357,353)
Gross profit		11,841	21,673
Administrative expenses	6	(19,587)	(20,164)
(Impairment losses)/reversal of impairment losses on trade and other receivables and contract assets		(2,908)	2,274
Other losses — net		(293)	(139)
Operating (loss)/profit		(10,947)	3,644
Finance income		67	554
Finance costs		(1,234)	(698)
Finance costs — net	7	(1,167)	(144)
(Loss)/profit before income tax		(12,114)	3,500
Income tax credit/(expense)	8	304	(3,165)
(Loss)/profit and total comprehensive (loss)/income for the period attributable to owners of the Company		(11,810)	335
(Loss)/earnings per share attributable to owners of the Company for the period (expressed in RMB cents per share)			
— Basic	9	(1.98)	0.07

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts expressed in RMB thousands unless otherwise stated)

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	46,728	48,423
Right-of-use assets		323	337
Intangible assets		6,011	7,056
Financial asset at fair value through other comprehensive income		5,000	5,000
Deferred income tax assets		10,755	10,028
		68,817	70,844
Current assets			
Inventories		153	158
Contract assets	12	980,253	1,016,678
Trade receivables	12	241,175	240,360
Deposits, other receivables and prepayments	13	190,713	198,128
Amount due from related parties	13	443	443
Restricted bank deposits		9,431	24,864
Cash and cash equivalents		99,683	96,653
		1,521,851	1,577,284
Total assets		1,590,668	1,648,128
EQUITY			
Share capital	14	5,632	4,681
Other reserves	15	478,450	432,164
Retained earnings	15	27,321	39,131
Total equity		511,403	475,976

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts expressed in RMB thousands unless otherwise stated)

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		110	43
Bank borrowings	17	—	23,346
		110	23,389
Current liabilities			
Trade and other payables	16	953,902	1,104,475
Contract liabilities		55,453	11,019
Bank borrowings	17	69,582	33,008
Current income tax liabilities		—	—
Lease liabilities		218	261
		1,079,155	1,148,763
Total liabilities		1,079,265	1,172,152
Total equity and liabilities		1,590,668	1,648,128

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts expressed in RMB thousands unless otherwise stated)

	Note	Attributable to owners of the Company			
		Share capital (Note 14) RMB'000	Other reserves (Note 15) RMB'000	Retained earnings (Note 15) RMB'000	Total equity RMB'000
As at 1 January 2024 (Audited)		9	332,631	39,784	372,424
Total comprehensive income					
Profit for the period		—	—	335	335
Transactions with owners in their capacity as owners					
Issue of shares by capitalisation of share premium account	14(a)	3,502	(3,502)	—	—
Issue of shares upon placing of shares	14(a)	702	69,517	—	70,219
Issue of shares pursuant to a public offer	14(b)	468	46,345	—	46,813
Expenses incurred in connection with issue of shares		—	(15,424)	—	(15,424)
As at 30 June 2024 (Unaudited)		4,681	429,567	40,119	474,367
As at 1 January 2025 (Audited)		4,681	432,164	39,131	475,976
Total comprehensive loss					
Loss for the period		—	—	(11,810)	(11,810)
Transactions with owners in their capacity as owners					
Issue of shares	14(c)	951	46,611	—	47,562
Expenses incurred in connection with issue of shares		—	(325)	—	(325)
As at 30 June 2025 (Unaudited)		5,632	478,450	27,321	511,403

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts expressed in RMB thousands unless otherwise stated)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash used in operations	(55,884)	(136,772)
Income tax paid	(423)	(6,520)
Net cash used in operating activities	(56,307)	(143,292)
Cash flows from investing activities		
Interest received	67	554
Purchases of property, plant and equipment	—	(4,616)
Proceeds from disposal of property, plant and equipment	218	—
Purchases of intangible assets	—	(50)
Net cash generated from/(used in) investing activities	285	(4,112)
Cash flows from financing activities		
Interest paid	(1,241)	(686)
Repayment to related parties	—	(7)
Proceeds from bank borrowings	69,535	—
Repayment of bank borrowings	(56,295)	(1,474)
Proceeds from issue of shares	47,562	117,032
Listing expenses paid (equity portion)	—	(9,965)
Expenses incurred in connection with issue of shares	(325)	—
Payment of principal elements of lease liabilities	(134)	(479)
Payment of interest portion of lease liabilities	(5)	(14)
Net cash generated from financing activities	59,097	104,407
Net increase/(decrease) in cash and cash equivalents	3,075	(42,997)
Cash and cash equivalents at beginning of period	96,653	147,140
Exchange differences on cash and cash equivalents	(45)	965
Cash and cash equivalents at end of period	99,683	105,108

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

1 GENERAL INFORMATION

Zhongshen Jianye Holding Limited (the “**Company**”) was incorporated in the Cayman Islands on 2 February 2021 as an exempted company with limited liability. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of construction services in the People’s Republic of China (the “**PRC**”).

Mr. Sang Xianfeng (“**Mr. Sang**”) and Mr. Xian Yurong (“**Mr. Xian**”) are the co-founders of the Group. Mr. Sang is the ultimate controlling shareholder of the Group. The controlling shareholder of the Company is Zhongshen Hengtai Capital Limited, a company incorporated in British Virgin Islands with limited liabilities.

The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 January 2024.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) unless otherwise stated, and have been approved for issue by the board of directors on 29 August 2025.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34, “Interim Financial Reporting”. The unaudited condensed consolidated interim financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards. The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for the financial asset at fair value through other comprehensive income which has been measured at fair value.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024, as described in those annual consolidated financial statements, except that the Hong Kong Institute of Certified Public Accountants has issued a number of new standards and amendments to HKFRS Accounting Standards which are effective for the current accounting period of the Group. None of those developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

3 ESTIMATES

The preparation of unaudited condensed consolidated interim financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

In preparing the unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2024.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

These unaudited condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

There have been no changes in the Group's risk management policies since the year ended 31 December 2024.

4.2 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, raise new capital or sell assets to reduce debt.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total borrowings divided by total equity. The gearing ratio was approximately 13.6% as at 30 June 2025 (31 December 2024: 11.8%).

4.3 Fair value estimation

The carrying amounts of the Group's financial assets and financial liabilities approximated their fair values.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

5 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and its subsidiaries now comprising the Group principally engage in the provision of construction services.

The chief operating decision maker has been identified as the executive directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segment based on these reports.

The directors consider the Group's operation from a business perspective and determine that the Group has one operating segment being the provision of construction services.

Information relating to segment assets and liabilities is not disclosed as the Group monitors its assets and liabilities in one operating segment.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from provision of construction services	201,276	379,026

All of the Group's revenue is recognised over time.

All revenue was derived from external customers in Chinese Mainland during the six months ended 30 June 2025 and 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

6 EXPENSES BY NATURE

Expenses included in cost of revenue and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Raw materials and consumables used	100,513	146,025
Employee benefit expenses and labour subcontracting costs	66,050	131,015
Specialised construction subcontracting costs	26,917	55,089
Equipment and machinery usage costs	5,262	32,074
Design and testing service costs	1,141	2,597
Depreciation and amortisation expenses	2,614	1,910
— Depreciation of property, plant and equipment	1,397	407
— Depreciation of right-of-use assets	172	456
— Amortisation of intangible assets	1,045	1,047
Listing expenses	—	1,563
Bank charges	108	395
Insurance expenses	306	314
Taxes, surcharge and levies	390	1,420
Professional fees	1,620	1,663
Travelling and entertainment expenses	879	910
Other expenses	3,222	2,542
	209,022	377,517

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

7 FINANCE COSTS — NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance income		
— Interest income from bank deposits	67	554
Finance costs		
— Interest expense on factoring	(290)	(32)
— Interest expense on bank borrowings	(939)	(652)
— Interest expense on lease liabilities	(5)	(14)
	(1,234)	(698)
Finance costs — net	(1,167)	(144)

8 INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax	423	2,444
Deferred income tax	(727)	721
Income tax (credit)/expense	(304)	3,165

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated.

(a) Cayman Islands and BVI Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, members of the Group incorporated in the Cayman Islands and the BVI are not subject to any income tax.

(b) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong profits tax during the six months ended 30 June 2025 and 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

8 INCOME TAX (CREDIT)/EXPENSE (Continued)

(c) PRC Corporate Income Tax

The income tax provision of the Group in respect of its operations in Mainland China was calculated at the rate of 25% on the assessable profits for the period presented, based on the existing legislation, interpretations and practices in respect thereof.

(d) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%. A lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between Mainland China and Hong Kong.

The Group has not accrued any withholding income tax for the undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings out of Mainland China in the foreseeable future.

9 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit of the Group attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

In the calculation of weighted average number of ordinary shares outstanding during the six months ended 30 June 2024, the 385,100,000 shares capitalised on 9 January 2024 had been adjusted retrospectively as if those shares had been issued since 1 January 2024.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	(11,810)	335
Weighted average number of ordinary shares in issue	597,281,768	509,142,857
Basic (loss)/earnings per share (expressed in RMB cents per share)	(1.98)	0.07

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

9 (LOSS)/EARNINGS PER SHARE (Continued)

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is equal to basic (loss)/earnings per share as there was no dilutive potential shares outstanding as at 30 June 2025 and 2024.

10 DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2025 (30 June 2024: nil).

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group did not incur any capital expenditure (30 June 2024: RMB4,616,000).

12 CONTRACT ASSETS AND TRADE RECEIVABLES

(a) Contract assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Unbilled revenue (i)	925,150	949,284
Retention monies (ii)	77,359	90,295
	1,002,509	1,039,579
Less: provision for impairment of contract assets	(22,256)	(22,901)
	980,253	1,016,678

- (i) Unbilled revenue is initially recognised for revenue earned from the provision of construction services as the billing of consideration is conditional on the acceptance by the customer. As the progress of construction is accepted by the customer, the amounts recognised as unbilled revenue can be billed and are reclassified to trade receivables.
- (ii) Retention monies are settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period. In the condensed consolidated balance sheet, retention monies were classified as current assets based on its normal operating cycle.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

12 CONTRACT ASSETS AND TRADE RECEIVABLES (Continued)

(b) Trade receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	253,976	249,608
Less: allowance for impairment of trade receivables	(12,801)	(9,248)
Trade receivables — net	241,175	240,360

The Group normally allows credit terms to its customers within one month. Ageing analysis of trade receivables, based on invoice date, was as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	136,381	177,332
1 year to 2 years	82,311	43,179
Over 2 years	35,284	29,097
	253,976	249,608

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

13 DEPOSITS, OTHER RECEIVABLES, PREPAYMENTS AND AMOUNTS DUE FROM RELATED PARTIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Prepayments to suppliers	163,317	190,869
Deposits (a)	4,352	3,967
Amounts due from other third parties (b)	25,095	5,343
Less: allowance for impairment of other receivables	(2,051)	(2,051)
	190,713	198,128
Amount due from related parties (b) (note 19(b))	443	443
	191,156	198,571

(a) As at 30 June 2025 and 31 December 2024, the carrying amounts of deposits mainly includes tender deposits and guarantee deposits.

(b) As at 30 June 2025 and 31 December 2024, the amounts due from related parties and amounts due from other third parties were unsecured, interest-free and recoverable on demand.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

14 SHARE CAPITAL

		Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025		2,000,000,000	20,000
	Number of ordinary shares	Share capital	
		HK\$'000	RMB'000
Issued			
As at 1 January 2024	1,000,000	10	9
Issue of shares by capitalisation of share premium account (Note a)	385,100,000	3,851	3,502
Issue of shares upon placing of shares (Note b)	77,220,000	772	702
Issue of shares pursuant to a public offer (Note b)	51,480,000	515	468
As at 31 December 2024	514,800,000	5,148	4,681
As at 1 January 2025	514,800,000	5,148	4,681
Issue of shares (Note c)	102,960,000	1,030	951
As at 30 June 2025	617,760,000	6,178	5,632

- (a) Pursuant to the resolutions passed by the shareholders' meeting on 19 December 2023, conditional on the listing, an aggregate of 385,100,000 ordinary shares of HK\$0.01 par value each was, through capitalisation of share premium account, allotted to the shareholders whose names appear on the register of members of the Company as at the date of these resolutions. The capitalisation issue was completed on 9 January 2024.
- (b) On 9 January 2024, the Company's shares were listed on the Stock Exchange. 77,220,000 new ordinary shares with a nominal value of HK\$0.01 each were allotted and issued to independent investors or connected persons of the Company at HK\$1.00 per share and 51,480,000 new ordinary shares with a nominal value of HK\$0.01 each were issued to investors by way of public offering at HK\$1.00 per share. Gross proceeds from the placing and public offering of HK\$76,447,800 and HK\$50,965,200 were credited to the share premium account.
- (c) On 10 January 2025, the Company entered into six separate subscription agreements with six subscribers in respect of the subscription of an aggregate of 102,960,000 subscription shares at the subscription price of HK\$0.50 per share. The subscription was completed on 6 February 2025. Gross proceeds of HK\$50,450,400 was credited to the share premium account.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

15 OTHER RESERVES AND RETAINED EARNINGS

	Share Premium RMB'000	Statutory reserves (Note a) RMB'000	Capital reserves (Note b) RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2024 (Audited)	—	14,383	318,248	39,784	372,415
Profit for the period	—	—	—	335	335
Issue of shares by capitalisation of share premium account (Note 14(a))	(3,502)	—	—	—	(3,502)
Issue of shares upon placing of shares (Note 14(b))	69,517	—	—	—	69,517
Issue of shares pursuant to a public offer (Note 14(b))	46,345	—	—	—	46,345
Expenses incurred in connection with issue of shares	(15,424)	—	—	—	(15,424)
As at 30 June 2024 (Unaudited)	96,936	14,383	318,248	40,119	469,686
As at 1 January 2025 (Audited)	96,936	16,980	318,248	39,131	471,295
Loss for the period	—	—	—	(11,810)	(11,810)
Issue of shares (Note 14(c))	46,611	—	—	—	46,611
Expenses incurred in connection with issue of shares	(325)	—	—	—	(325)
As at 30 June 2025 (Unaudited)	143,222	16,980	318,248	27,321	505,771

- (a) In accordance with the relevant laws and regulations in the PRC and the Articles of Association of the subsidiaries, the Group's entities established in the PRC are required to appropriate 10% of the annual statutory net profits after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing the net profit. When the balance of the statutory surplus reserve fund reaches 50% of the contributed capital, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be converted into contributed capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of contributed capital.
- (b) Capital reserves of the Group represented the net assets value of the subsidiaries acquired pursuant to the reorganisation and deemed contribution of shareholder.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

16 TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables (a)	935,075	1,086,289
Other payables and accruals (b)	18,827	18,186
	953,902	1,104,475

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	129,255	284,479
1 year to 2 years	388,539	369,326
Over 2 years	417,281	432,484
	935,075	1,086,289

(b) Other payables and accruals

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accrued taxes and surcharges	5,349	1,908
Employee benefits accruals	5,888	3,975
Advance from a customer (i)	3,000	3,000
Other operating expenses payables and accruals	4,590	9,303
	18,827	18,186

(i) Advance from a customer represented guarantee deposits for the settlement of the wages of peasant labours paid by a customer to one of the Group's designated bank account. Such advance was unsecured, interest free and would be settled when the project is completed.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

17 BANK BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Secured bank borrowings:		
— Current	40,000	33,008
— Non-current	—	23,346
Unsecured bank borrowings:		
— Current	29,582	—
	69,582	56,354

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Secured bank borrowings:		
— Fixed rates	40,000	30,028
— Variable rates	—	26,326
Unsecured bank borrowings:		
— Fixed rates	29,582	—
	69,582	56,354

As at 30 June 2025 and 31 December 2024, the Group's borrowings were repayable as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	69,582	33,008
Between 1 and 2 years	—	2,949
Between 2 and 5 years	—	8,847
Over 5 years	—	11,550
	69,582	56,354

- (i) As at 30 June 2025, bank borrowings of approximately RMB40,000,000 (31 December 2024: RMB26,326,000) were guaranteed by Mr. Sang and Mr. Xian (31 December 2024: Mr. Sang, Mr. Xian and Ms. Jin Wei ("**Ms. Jin**") (Note 19(d)) and secured by pledges over the Group's land and building with a net carrying amount of approximately RMB43,605,000 as at 30 June 2025 (31 December 2024: RMB44,662,000).
- (ii) As at 30 June 2025 and 31 December 2024, all borrowings were denominated in RMB.
- (iii) As at 30 June 2025, the Group's bank borrowings are with effective interest rates ranging from 2.65% to 3% (31 December 2024: 3% to 4.5%).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

18 COMMITMENTS

The Group had the following capital commitment at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted but not provided for:		
Unlisted equity security	5,000	5,000

19 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

(a) Name and relationship with related parties

The following individuals are related parties of the Group that had balances and/or transactions with the Group.

Name	Relationship
Mr. Sang	Director and ultimate controlling shareholder of the Company
Mr. Xian	Director and substantial shareholder of the Company

(b) Balances with related parties

Non-trade in nature:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Amounts due from related parties (Note 13)		
— Mr. Sang	384	384
— Mr. Xian	59	59
	443	443

The above balances with related parties were non-trade in nature, unsecured, interest-free and recoverable on demand.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

19 RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

Key management includes executive directors and senior management of the Group.

The compensation paid or payable to the key management during the six months ended 30 June 2025 and 2024, are shown as below.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Wages, salaries and bonuses	1,006	1,049
Pension costs — defined contribution plans	35	155
Other employee benefits	32	57
	1,073	1,261

(d) Guarantee provided from related parties in respect of the bank borrowing of the Group:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Guarantees		
— Mr. Sang and Mr. Xian	40,000	—
— Mr. Sang, Mr. Xian and Ms. Jin	—	26,326

20 CONTINGENCIES

The Group has been involved in certain claims/litigations in respect of its construction operations. The directors of the Company are of the opinion that either an adequate provision for liability has been made or assets have been written down to its recoverable value.

21 EVENT AFTER THE BALANCE SHEET DATE

On 2 July 2025, the Company entered into six separate subscription agreements with six subscribers in respect of the subscription of an aggregate of 123,552,000 shares of the Company at the subscription price of HK\$0.61 per share. Such subscription was completed on 17 July 2025.