

Zhongtian Construction (Hunan) Group Limited

中天建設(湖南)集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2433

INTERIM REPORT

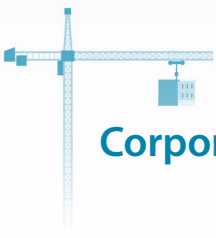
2026



CONTENTS

Corporate Information	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Condensed Consolidated Financial Statements	8
Management Discussion and Analysis	20
Corporate Governance and Other Information	27





Corporate Information

DIRECTORS

EXECUTIVE DIRECTORS:

Mr. Yang Zhongjie (*Chairman*)
Mr. Liu Xiaohong (*Chief Executive Officer*)
Mr. Chen Weiwu
Mr. Min Shixiong

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. Liu Jianlong
Ms. Deng Jianhua
Mr. Lau Kwok Fai Patrick

REGISTERED OFFICE IN THE CAYMAN ISLANDS

71 Fort Street,
PO Box 500,
George Town, Grand Cayman, KY1-1106,
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 913, 9/F.
Chinachem Golden Plaza
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Tsim Sha Tsui
Kowloon
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 298 Phase 1 Research Building
Jinlong East Road
Hetang District
Zhuzhou City
Hunan Province
PRC

COMPANY'S WEBSITE

www.ztcon.com

COMPANY SECRETARY

Ms. Chan Kit Ming (*Certified Public Accountant*)

AUTHORISED REPRESENTATIVES

Ms. Chan Kit Ming (*Certified Public Accountant*)
Mr. Yang Zhongjie

AUDIT COMMITTEE

Mr. Lau Kwok Fai Patrick (*Chairperson*)
Dr. Liu Jianlong
Ms. Deng Jianhua

REMUNERATION COMMITTEE

Ms. Deng Jianhua (*Chairperson*)
Mr. Liu Xiaohong
Mr. Lau Kwok Fai Patrick

NOMINATION COMMITTEE

Mr. Yang Zhongjie (*Chairperson*)
Dr. Liu Jianlong
Ms. Deng Jianhua

AUDITORS

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Central
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

ONC Lawyers
19th Floor
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8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Global Services (Cayman) Limited
71 Fort Street
PO Box 500
George Town
Grand Cayman
KY1-1106
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKER

China Construction Bank Corporation Zhuzhou
Renmin Road Sub-branch
No. 2 Qiyi Road, Zhuzhou City
Hunan Province
PRC

STOCK CODE

2433

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	321,035	346,554
Cost of sales		(288,867)	(307,482)
Gross profit		32,168	39,072
Other income and other gains, net	6	128	305
Administrative and other expenses		(24,484)	(34,484)
Impairment on financial and contract assets, net		(104,053)	(24,268)
Finance costs	7	(1,852)	(2,157)
Loss before income tax	8	(98,093)	(21,532)
Income tax credit	9	10,593	1,999
Loss and total comprehensive income for the period		(87,500)	(19,533)
Loss and total comprehensive income for the period attributable to:			
Owners of the Company		(85,756)	(18,397)
Non-controlling interests		(1,744)	(1,136)
Total		(87,500)	(19,533)
Loss per share attributable to owners of the Company			
Basic and diluted, expressed in RMB cents per share	10	(14.89)	(3.19)

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	10,806	12,310
Investment properties		8,497	8,644
Deferred tax assets		31,841	20,241
Intangible assets		33	34
		51,177	41,229
Current assets			
Inventories		3,175	362
Trade, bills and other receivables and prepayments	13	477,111	384,962
Contract assets		1,583,549	1,553,289
Restricted bank deposits		21,397	38,945
Cash and cash equivalents		40,360	29,505
		2,125,592	2,007,063
Current liabilities			
Trade payables	14	932,244	849,552
Bills payables		48,825	14,200
Accruals and other payables		691,246	627,490
Contract liabilities		31,272	26,543
Lease liabilities		382	374
Borrowings	15	123,049	92,615
Income tax payable		15,922	15,846
		1,842,940	1,626,620
Net current assets		282,652	380,443
Total assets less current liabilities		333,829	421,672
Non-current liabilities			
Lease liabilities		555	748
Borrowings	15	249	426
		804	1,174
NET ASSETS		333,025	420,498

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2026

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	5,132	5,132
Reserves		323,199	408,928
		328,331	414,060
Non-controlling interests		4,694	6,438
TOTAL EQUITY		333,025	420,498

The condensed consolidated financial statements were approved and authorised for issue by the board of the directors of the Company on 28 August 2026 and are signed on its behalf by:

Yang Zhongjie
Executive director

Liu Xiaohong
Executive director

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 June 2026

	Equity attributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Other reserve	Statutory special reserve	Statutory reserve	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 January 2025 (audited)	5,132	116,068	79,673	331	35,530	253,548	490,282	7,381	497,663
Loss and total comprehensive income for the period	—	—	—	—	—	(18,397)	(18,397)	(1,136)	(19,533)
Deemed contribution by non-controlling interests	—	—	—	—	—	(285)	(285)	—	(285)
Contribution by non-controlling interests	—	—	—	—	—	—	—	1,261	1,261
At 30 June 2025 (unaudited)	5,132	116,068	79,673	331	35,530	234,866	471,600	7,506	479,106
Balance at 1 January 2026 (audited)	5,132	116,068	79,151	124	35,530	178,055	414,060	6,438	420,498
Loss and total comprehensive income for the period	—	—	—	—	—	(85,756)	(85,756)	(1,744)	(87,500)
Transfer to special reserve	—	—	—	3,919	—	—	3,919	—	3,919
Utilisation of special reserve	—	—	—	(3,892)	—	—	(3,892)	—	(3,892)
At 30 June 2026 (unaudited)	5,132	116,068	79,151	151	35,530	92,299	328,331	4,694	333,025

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	5,041	44,779
Cash flows from investing activities		
Purchase of property, plant and equipment	(3)	(773)
Proceeds on disposal of property, plant and equipment	255	59
Interest received	42	140
Net cash generated from/(used in) investing activities	294	(574)
Cash flows from financing activities		
Proceeds from new borrowings	89,065	89,472
Repayments of borrowings	(58,808)	(109,184)
Interest paid	(1,852)	(2,157)
Repayments of lease liabilities	(185)	(176)
Repayments of bills payable	(22,700)	(15,000)
Capital contribution by non-controlling interest	—	976
Net cash generated from/(used in) financing activities	5,520	(36,069)
Net increase in cash and cash equivalents	10,855	8,136
Cash and cash equivalents at the beginning of the period	29,505	32,543
Cash and cash equivalents at the end of the period	40,360	40,679

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

Zhongtian Construction (Hunan) Group Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 27 March 2020. The Company’s registered office is located at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands. The principal place of business of the Company is located in the People’s Republic of China (the “**PRC**”). The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 30 March 2023.

The Company, an investment holding company, and its subsidiaries, collectively referred as the “**Group**”, are principally engaged in the provision of construction services in the PRC.

In the opinion of the Directors, as at the date of this report, the ultimate holding company is ZT(A) Limited, a company incorporated in the British Virgin Islands (the “**BVI**”).

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2025 (“**Annual Report 2025**”) which have been prepared in accordance with HKFRS Accounting Standards.

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies and methods of computation as adopted by the Group in the Annual Report 2025 except for the adoption of new or amended HKFRS Accounting Standards as mentioned in note 3.

In preparing the unaudited condensed consolidated interim financial information, the significant judgment made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the Annual Report 2025.

The unaudited condensed consolidated interim financial information has been prepared under the historical cost basis and presented in Renminbi, (“**RMB**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

Except as described below, the accounting policies applied are consistent with those of the 2025 financial statements as described therein.

New and amendments to standards and interpretation adopted by the Group

The following amendments are effective for the period beginning 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11

The amendments listed above did not have any material effect on the reported results or financial position of the Group for both current and prior reporting period.

4. SEGMENT INFORMATION

(a) Operating segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance.

Management has determined the operating segments based on the reports reviewed by chief operating decision maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the provision of construction services in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The major operating entities of the Group is domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC during the six months ended 30 June 2026 and 2025.

As at 30 June 2026 and 31 December 2025, all of the non-current assets were located in the PRC.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. SEGMENT INFORMATION *(Continued)*

(b) Information about major customers

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue for the six months ended 30 June 2026 and 2025, is set out below:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A	56,166	N/A*
Customer B	42,312	71,798

* Transactions did not exceed 10% of the Group's revenue.

5. REVENUE

Revenue represents the income from construction contracts and provision of construction machinery and equipment for construction projects.

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from construction contracts		
Civil building construction	247,760	204,101
Municipal works construction	68,307	103,602
Foundation works	1,590	4,199
Prefabricated steel structure construction works	1,155	13,808
Other specialised contracting works	1,790	20,017
	320,602	345,727
Revenue from provision of construction machinery and equipment	433	827
	321,035	346,554

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

5. REVENUE (Continued)

Timing of revenue recognition

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Transferred over time	321,035	346,554

Geographical areas of revenue derived from customers

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Hunan	269,998	193,324
Hainan	1,655	30,721
Guangdong	4,057	21,222
Jiangxi	43,312	71,798
	319,022	317,065
Others	2,013	29,489
	321,035	346,554

6. OTHER INCOME AND OTHER GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income on bank deposits	42	349
Government grants (note)	—	8
Gain on disposal of property, plant and equipment	95	32
Others	(9)	(84)
	128	305

Note:

These represented grants to incentivise the development of the Group, of which the entitlement was unconditional and one-off in nature.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest charge on lease liabilities	23	36
Interest charge on borrowings	1,829	2,121
Total	1,852	2,157

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after (crediting)/charging the followings:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories	110,919	93,849
Auditors' remuneration	—	—
Depreciation of owned property, plant and equipment	1,161	1,144
Depreciation of right-of-use assets	186	186
Depreciation of investment properties	147	148
Amortisation of intangible assets	1	2
Gain on disposal of property, plant and equipment	(95)	(32)
Research costs	9,760	8,986
Short-term leases expenses		
— Office premises	588	735
— Machinery and equipment	27,861	31,303
Staff costs, including Directors' emoluments		
— Salaries and wages	6,071	7,633
— Retirement scheme contributions	2,610	3,260

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

9. INCOME TAX CREDIT

Provision for the PRC Enterprise Income Tax, (“EIT”), for the reporting period was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws, and regulations applicable to the subsidiaries operated in the PRC.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax		
Current period	1,006	1,732
Deferred tax	(11,599)	(3,731)
	(10,593)	(1,999)

Under the Law of the PRC on Enterprise Income Tax, (the “EIT Law”), and Implementation Regulations of the EIT Law, the tax rate of the Group is 25% for the six months ended 30 June 2026 and 2025, except for the following subsidiaries:

A subsidiary of the Company has been certified as new high technology enterprise in the PRC and enjoyed a preferential enterprise income tax rate of 15% for the six months ended 30 June 2026 and 2025.

Two subsidiaries of the Company were qualified as small enterprise and are eligible for preferential tax rate of 5% for the six months ended 30 June 2026 and 2025.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (RMB'000)	(85,756)	(18,397)
Weighted average number of shares in issue (note)	576,000,000	576,000,000
Basic loss per share (RMB cents)	(14.89)	(3.19)

Note:

The weighted average number of ordinary shares used to calculate the basic losses per share for the six months ended 30 June 2026 and 2025 represented 576,000,000 ordinary shares of the Company during the six months ended 30 June 2026 and 2025.

Diluted loss per share presented is the same as the basic losses per share as the Group has no dilutive potential ordinary share outstanding for the six months ended 30 June 2026 (2025: Same).

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

11. DIVIDENDS

No dividends were paid or declared by the Company for the six months ended 30 June 2026 and 2025.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately RMB3,000 (six months ended 30 June 2025: approximately RMB773,000).

In addition, during the six months ended 30 June 2026, the Group disposed property, plant and equipment of approximately RMB160,000 (six months ended 30 June 2025: approximately RMB27,000).

As at 30 June 2026, certain plant and machinery with carrying amount of approximately RMB2,423,000 (31 December 2025: approximately RMB6,759,000) were pledged as securities for the Group's borrowings (note 15).

13. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables		
Related parties	18,127	28,803
Third parties	351,003	335,968
	369,130	364,771
Bills receivables	40	3,666
Impairment provision for trade receivables	(126,593)	(84,276)
Impairment provision for bills receivables	(2)	(118)
	(126,595)	(84,394)
Trade and bills receivables, net	242,575	284,043
Deposits and other receivables	200,714	90,821
Prepayments	85,402	30,739
Impairment provision for deposits and other receivables	(51,580)	(20,641)
	234,536	100,919
Other receivables, prepayments and deposits, net	477,111	384,962

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

13. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Included in trade receivables are trade debtors (net of impairment losses), with the following ageing analysis, based on invoice dates, as of the end of each reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0–90 days	65,237	73,326
91–180 days	14,551	15,038
181–365 days	36,448	27,211
1–2 years	31,347	51,283
2–3 years	38,801	59,287
Over 3 years	56,153	54,350
	242,537	280,495

Included in trade receivables are trade debtors, net of impairment losses, with the following ageing analysis, based on due dates, as of the end of each reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Not yet past due	59,090	72,817
0–90 days	21,213	16,189
91–180 days	23,726	13,142
181–365 days	23,789	36,893
1–2 years	23,413	62,808
2–3 years	45,753	47,899
Over 3 years	45,553	30,747
	242,537	280,495

Trade receivables are generally due within 10 to 90 days from the date of billing.

As at 30 June 2026, trade and bills receivables arising from provision of construction services of approximately RMB13,132,000 were pledged as securities for the Group's borrowings (31 December 2025: Nil) (note 15).

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

14. TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables		
Related parties	4,378	13,766
Third parties	927,866	835,786
	932,244	849,552

A credit period of up to 3 months from the date of billing is generally granted by the Group's trade suppliers. Based on the receipt of services and goods, which normally coincided with the invoice dates, the ageing analysis of the Group's trade payables as at the end of each reporting period is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0–90 days	119,246	25,510
91–180 days	53,271	70,238
181–365 days	101,512	79,712
1–2 years	95,594	493,605
Over 2 years	562,621	180,487
	932,244	849,552

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

15. BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current		
Bank borrowings, secured/guaranteed	67,416	41,550
Bank borrowings, unsecured	55,260	50,672
Other borrowings, secured	373	393
	123,049	92,615
Non-current		
Other borrowings, secured	249	426
	249	426
	123,298	93,041

Notes:

- The Group's bank loans of approximately RMB67,416,000 as at 30 June 2026 (31 December 2025: approximately RMB41,550,000), were secured by the Group's assets with net carrying values as follows:

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
Secured by:		
Intangible assets and investment properties	48,276	28,500
Trade receivables	9,990	—
Corporate guarantee and Group's properties	9,150	13,050
	67,416	41,550

- As at 30 June 2026, bank loans with principal amount of approximately RMB55,260,000 (31 December 2025: approximately RMB50,672,000), were unsecured.

Bank borrowings were repayable as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	122,676	92,222

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

15. BORROWINGS (Continued)

Other borrowings were repayable as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	373	393
In the 2nd year	249	426
	622	819

The borrowings were secured by the following assets:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property, plant and equipment (note 12)	2,423	6,759
Investment properties	8,497	7,815
Intangible assets	33	34
Trade receivables (note 13)	13,132	—

As at 30 June 2026, the Group could not fulfil certain financial covenants as set out in the loan facility agreements by the banks on the bank borrowings in the total amount of approximately RMB94,075,000, which were classified as current liabilities of the Group. Subsequent to the end of the reporting period, the Group had obtained waivers from the banks for the breach of the financial covenants (the “**Waivers**”). In the opinion of the Directors, based on the Waivers obtained, the Group is no longer in breach of any covenants under the Group's loan facility agreements.

As at 30 June 2026, the Group has defaulted the repayment of bank borrowing of approximately RMB4,971,000, which were classified under current liabilities. The negotiations with lender had been conducted and the lender has agreed to waive its right to demand immediate payment.

As at 30 June 2026, the Group has no aggregate available unutilised banking facilities (31 December 2025: approximately RMB1,300,000).

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2026

16. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000	Amount RMB'000
Authorised ordinary shares of HK\$0.01 each			
At 1 January 2025, 31 December 2025 (audited) and 30 June 2026 (unaudited)	5,000,000,000	50,000	45,000
Issued and fully paid ordinary shares of HK\$0.01 each			
At 1 January 2025, 31 December 2025 (audited) and 30 June 2026 (unaudited)	576,000,000	5,760	5,132

Note:

The Company was incorporated in the Cayman Islands on 27 March 2020 as an exempted company with limited liability, with authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each and issued 101,100 shares of HK\$0.01 each.

17. RELATED PARTY TRANSACTIONS

The Group entered into the following significant related party transactions with related companies during the reporting periods:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental expenses paid/accrued to a related company	208	208
Purchase of materials from related companies	4,108	3,561
Construction services income earned from related companies	934	13,245
Consultation services fee paid to related company	48	—

The terms of the related party transactions carried out during the reporting periods were mutually agreed by the Group and the related companies.



Management Discussion and Analysis

BUSINESS REVIEW AND FUTURE OUTLOOK

The Group is a general contracting construction group in Hunan Province with over 45 years of operating history and is principally engaged in the provision of construction services comprising: (i) civil building construction services, provision of construction contracting mainly as general contractor for residential, industrial and commercial construction projects; (ii) municipal works construction services, which mainly consist of construction of urban roads, education institutions, sports stadiums and water supply works; (iii) foundation works services which include foundation construction as well as earthwork construction; (iv) prefabricated steel structure construction services; and (v) other specialised contracting works which include building renovation and decoration construction specialised contracting.

During the six months ended 30 June 2026 (“**1H2026**”), the Group continued to operate in a challenging market environment. The construction industry in the PRC remained affected by the prolonged adjustment of the property market, cautious investment sentiment and intensified market competition. These factors continued to affect the pace of new project awards, project execution and collection cycles across the construction sector.

For 1H2026, the Group recorded revenue of approximately RMB321.0 million, representing a decrease of approximately 7.4% as compared with approximately RMB346.6 million for the six months ended 30 June 2025 (“**1H2025**”). The decrease was mainly attributable to the decline in revenue from municipal works construction, foundation works, prefabricated steel structure construction works and other specialised contracting works. Such decrease was partially offset by the growth in revenue from civil building construction, which remained the Group’s principal revenue contributor during the period.

Revenue from civil building construction increased by approximately 21.4% from approximately RMB204.1 million in 1H2025 to approximately RMB247.8 million in 1H2026, reflecting the Group’s continued focus on its core construction business and relatively stable demand from certain civil building projects. However, revenue from municipal works construction decreased by approximately 34.1% from approximately RMB103.6 million in 1H2025 to approximately RMB68.3 million in 1H2026. Revenue from prefabricated steel structure construction works and other specialised contracting works also decreased significantly, reflecting fewer new projects and the Group’s more cautious approach in project selection amid the uncertain market environment.

Gross profit margin decreased from approximately 11.3% in 1H2025 to approximately 10.0% in 1H2026. The decrease was mainly due to changes in project mix and continued pricing pressure under the competitive market environment. The Group continued to implement cost control measures and enhance project management efficiency; however, the decrease in revenue and gross profit margin, together with the substantial increase in impairment losses on financial and contract assets, resulted in a significant increase in net loss for the period.

The Group recorded loss attributable to owners of the Company of approximately RMB85.8 million in 1H2026, as compared with approximately RMB18.4 million in 1H2025. The increase in loss was mainly attributable to the substantial increase in impairment losses on financial and contract assets, which increased from approximately RMB24.3 million in 1H2025 to approximately RMB104.1 million in 1H2026. Such increase reflected the Group’s continuous assessment of credit risks and recoverability of receivables and contract assets amid the challenging market conditions and lengthening collection cycles in the construction industry.

Management Discussion and Analysis

Future Outlook

Looking ahead, the Group expects the construction industry in the PRC to remain challenging in the near term. The ongoing adjustment of the property sector, cautious public and private sector spending, pressure on project margins and prolonged settlement cycles are expected to continue to affect construction enterprises. The Group will therefore continue to adopt a prudent business strategy, focusing on project quality, cash flow management and risk control.

In this environment, the Group will:

- **Prioritise core and resilient business segments:** Continue to focus on civil building construction and selected municipal works projects with better execution visibility and acceptable risk profiles.
- **Strengthen project selection and credit risk control:** Adopt more stringent assessment procedures for new projects, with particular focus on customer creditworthiness, payment terms and cash flow visibility.
- **Enhance receivables and contract assets management:** Strengthen collection efforts, closely monitor overdue balances and actively communicate with customers to accelerate project settlement and certification.
- **Maintain cost discipline:** Continue to control administrative expenses, optimise resource allocation and improve project execution efficiency.
- **Preserve liquidity and financing flexibility:** Maintain constructive relationships with banks and other financial institutions, manage borrowings prudently and seek to maintain sufficient liquidity for business operations.
- **Explore selective growth opportunities:** Assess opportunities in areas supported by government policies, including urban renewal, infrastructure maintenance, green construction and other specialised construction services, while maintaining prudent risk management standards.

Although the external environment remains challenging, the Group believes that its long operating history, established market presence in Hunan Province and experience in construction project management will continue to support its business resilience. The Group will remain focused on stabilising operations, improving cash flows and strengthening its financial position in order to weather the current market downturn and prepare for future recovery opportunities.

FINANCIAL REVIEW

Revenue

For 1H2026, the Group recorded revenue of approximately RMB321.0 million, representing a decrease of approximately 7.4% as compared with approximately RMB346.6 million for 1H2025. The decrease was mainly due to the reduction in revenue from municipal works construction, foundation works, prefabricated steel structure construction works and other specialised contracting works, partially offset by the increase in revenue from civil building construction.

Construction contracts

Revenue from construction contracts amounted to approximately RMB320.6 million in 1H2026, as compared with approximately RMB345.7 million in 1H2025. The breakdown is as follows:

- **Civil building construction:** Revenue increased by approximately 21.4% from approximately RMB204.1 million in 1H2025 to approximately RMB247.8 million in 1H2026. The increase was mainly attributable to the progress of certain civil building construction projects during the period.
- **Municipal works construction:** Revenue decreased by approximately 34.1% from approximately RMB103.6 million in 1H2025 to approximately RMB68.3 million in 1H2026, mainly due to the decrease in revenue recognised from municipal works projects during the period.



Management Discussion and Analysis

- **Foundation works:** Revenue decreased by approximately 62.1% from approximately RMB4.2 million in 1H2025 to approximately RMB1.6 million in 1H2026, mainly due to fewer foundation works projects undertaken during the period.
- **Prefabricated steel structure construction works:** Revenue decreased by approximately 91.6% from approximately RMB13.8 million in 1H2025 to approximately RMB1.2 million in 1H2026, mainly due to fewer new projects awarded and lower revenue contribution from such projects.
- **Other specialised contracting works:** Revenue decreased by approximately 91.1% from approximately RMB20.0 million in 1H2025 to approximately RMB1.8 million in 1H2026, mainly due to weaker demand for renovation, decoration and other specialised contracting works.

Overall, civil building construction remained the Group's largest revenue contributor and recorded growth during 1H2026, while other construction service categories declined amid the challenging market conditions and the Group's prudent project selection strategy.

Provision of construction machinery and equipment

Revenue from provision of construction machinery and equipment decreased from approximately RMB0.8 million in 1H2025 to approximately RMB0.4 million in 1H2026, representing a decrease of approximately 47.6%. The decrease was mainly due to lower demand for machinery and equipment services during the period.

Cost of sales

The Group's cost of sales for 1H2026 was approximately RMB288.9 million, representing a decrease of approximately 6.1% as compared with approximately RMB307.5 million for 1H2025. The decrease was generally in line with the decrease in revenue during the period. However, the rate of decrease in cost of sales was lower than the rate of decrease in revenue, resulting in a lower gross profit margin.

Gross profit and gross profit margin

Gross profit decreased from approximately RMB39.1 million in 1H2025 to approximately RMB32.2 million in 1H2026, representing a decrease of approximately 17.7%. Gross profit margin decreased from approximately 11.3% in 1H2025 to approximately 10.0% in 1H2026. The decrease was mainly attributable to changes in project mix and pricing pressure under the competitive market environment.

Other income and other gains, net

Other income and other gains, net decreased from approximately RMB0.3 million in 1H2025 to approximately RMB0.1 million in 1H2026. The decrease was mainly due to the decrease in interest income on bank deposits and the absence of government grants during 1H2026.

Administrative and other expenses

Administrative and other expenses decreased from approximately RMB34.5 million in 1H2025 to approximately RMB24.5 million in 1H2026, representing a decrease of approximately 29.0%. The decrease was mainly attributable to the Group's continued cost control measures and reduction in staff costs and other administrative expenses.

Impairment on financial and contract assets, net

Net impairment losses on financial and contract assets increased significantly from approximately RMB24.3 million in 1H2025 to approximately RMB104.1 million in 1H2026. The increase was mainly attributable to the Group's prudent assessment of the recoverability of trade receivables, other receivables and contract assets under the challenging market environment and prolonged collection cycles.

Management Discussion and Analysis

Finance costs

Finance costs decreased from approximately RMB2.2 million in 1H2025 to approximately RMB1.9 million in 1H2026, representing a decrease of approximately 14.1%. The decrease was mainly due to lower interest charge on borrowings and lease liabilities during the period.

Income tax credit

The Group recorded income tax credit of approximately RMB10.6 million in 1H2026, as compared with approximately RMB2.0 million in 1H2025. The increase was mainly attributable to the increase in deferred tax credit recognised during the period.

Net loss

The loss attributable to owners of the Company increased from approximately RMB18.4 million in 1H2025 to approximately RMB85.8 million in 1H2026. The increase in loss was mainly attributable to the substantial increase in impairment losses on financial and contract assets and the decrease in gross profit, partially offset by the decrease in administrative and other expenses, finance costs.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's sources of funds are a combination of internally generated funds, bank and other borrowings, and equity fund raising activities. As at 30 June 2026, the capital structure of the Company comprised mainly issued share capital and reserves. During 1H2026, the Group held no treasury shares and did not sell any treasury shares.

As at 30 June 2026, the Group had net current assets of approximately RMB282.7 million, as compared with approximately RMB380.4 million as at 31 December 2025. The Group's current ratio decreased from approximately 1.23 as at 31 December 2025 to approximately 1.15 as at 30 June 2026. The decrease was mainly due to the increase in current liabilities, including trade payables, bills payables, accruals and other payables and borrowings, which outweighed the increase in current assets.

As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately RMB40.4 million, representing an increase of approximately 36.8% as compared with approximately RMB29.5 million as at 31 December 2025. As at 30 June 2026, the Group's total interest-bearing borrowings amounted to approximately RMB123.3 million, as compared with approximately RMB93.0 million as at 31 December 2025, representing an increase of approximately 32.5%. Of this total, approximately RMB123.0 million were classified as current liabilities and approximately RMB0.3 million as non-current liabilities. The increase in borrowings was mainly due to new borrowings raised during the period to support the Group's working capital needs.

The Group's gearing ratio, calculated as total interest-bearing debt divided by total equity, increased from approximately 22.4% as at 31 December 2025 to approximately 37.3% as at 30 June 2026. The increase was mainly due to the increase in total borrowings and the decrease in total equity as a result of the loss recorded during the period.

As at 30 June 2026, certain property, plant and equipment, investment properties, intangible assets and trade receivables were pledged to secure the Group's borrowings.

As at 30 June 2026, the Group could not fulfil certain financial covenants as set out in the loan facility agreements by the banks on bank borrowings in the total amount of approximately RMB94.1 million, which were classified as current liabilities of the Group. Subsequent to the end of the reporting period, the Group had obtained waivers from the banks for the breach of the financial covenants. In the opinion of the Directors, based on the waivers obtained, the Group is no longer in breach of any covenants under the Group's loan facility agreements.



Management Discussion and Analysis

As at 30 June 2026, the Group had defaulted on the repayment of bank borrowing of approximately RMB5.0 million, which were classified under current liabilities. Negotiations with the lender had been conducted and the lender had agreed to waive its right to demand immediate payment.

FUNDING AND TREASURY POLICY

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. The Group will continue to strengthen receivables collection, manage contract assets and payables carefully, and maintain constructive relationships with banks and financial institutions to preserve liquidity and financing flexibility.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had approximately RMB14.5 million (31 December 2025: approximately RMB14.5 million) of capital commitments in respect of the acquisition of property, plant and equipment.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed 286 employees in the PRC (30 June 2025: 335 employees). The total staff costs incurred by the Group for 1H2026 was approximately RMB8.7 million compared to approximately RMB10.9 million for 1H2025. Our Group's employees may be remunerated by way of fixed salary, hourly wage or on a project-by-project basis, depending on their job nature. Our Group utilises an appraisal system for our employees and considers the appraisal results of individual employees when conducting their salary review and determining the amount of bonuses. Our employees are also entitled to a number of fringe benefits and welfare, including transportation allowance, health care allowance and paid leave. Our Group provides trainings to our employees, which includes induction training which is held by our human resources department, on-board training, and sometimes education opportunities depending on the job function of the employees. Our Group will hold seminars and events occasionally for our employees, in order for them to catch up with market trends.

SHARE OPTION SCHEME

The share option scheme (the **"Share Option Scheme"**) was conditionally adopted by written resolutions of the Company's shareholders passed on 10 March 2023. The principal terms of the Share Option Scheme are summarised in the paragraph headed "Share Option Scheme" in the report of the Directors in the annual report of the Company for the year ended 31 December 2025.

From the Listing Date and up to 30 June 2026, no share option has been granted by the Company. The outstanding number of Share options available for grant under the Share Option Scheme is 48,000,000 share options to subscribe for the shares, representing 8.33% and 8.33% of the issued share capital of the Company at the beginning and at the end of 1H2026, respectively, out of which the number of share options available for grant under the service provider sublimit is 4,800,000 shares options to subscribe for the shares, representing 0.83% and 0.83% of the issued share capital of the Company at the beginning and at the end of 1H2026, respectively.

Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during 1H2026 and there was no outstanding option as at 30 June 2026.

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated 20 March 2023 (the “**Prospectus**”), the Group does not have other future plans for material investments and capital assets as at 30 June 2026. For details, please refer to the paragraphs headed “Use of Proceeds from the Global Offering” in this report.

CONTINGENT LIABILITIES

Other than a number of lawsuits and claims arising from the normal course of business were lodged against our Group which remained outstanding as at 30 June 2026, the Group had no material contingent liability as at 30 June 2026.

FOREIGN EXCHANGE RISK

The assets, liabilities and transactions of the Group are principally denominated in RMB. As at 30 June 2026, the Group has not entered into any foreign exchange contracts to hedge against the fluctuation in exchange rates and the Group did not have any foreign currency investments which have been hedged by currency borrowing and other hedging instruments. The Directors consider the impact of foreign exchange exposure to the Group is minimal.

GEARING RATIO

As at 30 June 2026, the gearing ratio, which is calculated as total interest-bearing debt divided by total equity, is approximately 37.3% (31 December 2025: approximately 22.4%).

PLEDGE OF ASSETS

As at 30 June 2026, assets pledged to secure the borrowings of the Group are disclosed in note 15 to the condensed consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S SHARES

For 1H2026, there were no purchases, sales or redemption by the Company, or any of its subsidiaries, of the Company's listed securities (including treasury shares).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company has been listed on the Stock Exchange since the Listing Date following the completion of the global offering (the “**Global Offering**”) of 120,000,000 new ordinary shares of the Company (the “**Shares**”). The amount of net proceeds from the Global Offering amounted to approximately RMB76.6 million (equivalent to approximately HK\$84.1 million), after deduction of the underwriting commission and other expenses. The Company has applied and will apply the proceeds from the Global Offering in accordance with the purposes as set out in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus, details of utilisation of the proceeds are set out below. The balance of the net proceeds from the Global Offering brought forward at the beginning of 1H2026 was approximately RMB10.7 million.

Management Discussion and Analysis

The following table sets out the breakdown of the use of proceeds from the Global Offering:

Purpose	Intended use of proceeds	Utilised	Net proceeds utilised during 1H2026	Utilised	Unutilised	Estimated timeline for utilising the unutilised net proceeds
		amount as at 31 December 2025		amount as at 30 June 2026	amount as at 30 June 2026	
	RMB' million	RMB' million	RMB' million	RMB' million	RMB' million	
To fund our upfront expenditure of three projects on hand	38.3	38.3	—	38.3	—	N/A
To acquire and/or replace our construction machinery and equipment	15.3	4.6	—	4.6	10.7	Before December 2026
To fund the establishment and operation of our know-how centre	15.3	15.3	—	15.3	—	N/A
Working capital and general corporate purposes	7.7	7.7	—	7.7	—	N/A
Total	76.6	65.9	—	65.9	10.7	

SIGNIFICANT INVESTMENTS HELD, AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not hold any significant investments, or have any material acquisitions or disposal of subsidiaries, associates or joint ventures during 1H2026.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for 1H2026 (1H2025: Nil).

AUDIT COMMITTEE

The Company has established the audit committee (“**Audit Committee**”) on 10 March 2023 with written terms of reference. The composition of the Audit Committee meets the requirement of Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial statements and provide material advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process of the Company and perform other duties and responsibilities assigned by the Board. The Audit Committee comprising the three independent non-executive Directors, namely Mr. Lau Kwok Fai Patrick (Chairperson), Dr. Liu Jianlong and Ms. Deng Jianhua.

REVIEW OF INTERIM FINANCIAL RESULTS BY AUDIT COMMITTEE

The unaudited consolidated interim financial information of the Group for 1H2026 and the accounting information given in this report has not been reviewed by the external auditor of the Company but has been reviewed by the Audit Committee, which agreed with the accounting treatment adopted by the Company, and was of the opinion that the preparation of such accounting information complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) (i) 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 were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix C3 of the Listing Rules, were as follows:

(i) Interest in our Shares

Name of Director/ chief executive	Capacity/Nature of interest directly and indirectly held	Relevant company	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Yang Zhongjie (“Mr. Yang”)	Interest in a controlled corporation/Interest of spouse (Note 2)	ZT (E) Limited (“ZT (E)”)	13,164,000 (L)	2.29%
Mr. Liu Xiaohong (“Mr. Liu”)	Interest in a controlled corporation (Note 3)	ZT (F) Limited (“ZT (F)”)	3,376,000 (L)	0.59%
Mr. Chen Weiwu (“Mr. Chen”)	Interest in a controlled corporation/Interest of spouse (Note 4)	ZT (H) Limited (“ZT (H)”)	1,770,000 (L)	0.31%
Mr. Min Shixiong (“Mr. Min”)	Interest in a controlled corporation (Note 5)	ZT (K) Limited (“ZT (K)”)	812,000 (L)	0.14%

Notes:

- (1) The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares.
- (2) ZT (E) is owned as to approximately 77.93% by Mr. Yang and 22.07% by Ms. Gan Yinghua (甘映華). Ms. Gan Yinghua is the spouse of Mr. Yang. Mr. Yang is deemed to be interested in all the Shares held by Ms. Gan Yinghua by virtue of the SFO. Under the SFO, Mr. Yang is deemed to be interested in 100% of the Shares held by ZT (E).
- (3) ZT (F) is wholly-owned by Mr. Liu. Under the SFO, Mr. Liu is deemed to be interested in all the Shares held by ZT (F).
- (4) ZT (H) is owned as to approximately 94.97% by Mr. Chen and 5.03% by Ms. Yang Zhonghua (楊中華). Ms. Yang Zhonghua is the spouse of Mr. Chen. Mr. Chen is deemed to be interested in all the Shares held by Ms. Yang Zhonghua by virtue of the SFO. Under the SFO, Mr. Chen is deemed to be interested in 100% of the Shares held by ZT (H).
- (5) ZT (K) is wholly-owned by Mr. Min. Under the SFO, Mr. Min is deemed to be interested in all the Shares held by ZT (K).

Corporate Governance and Other Information

(ii) Interest in our Company's associated corporations

Name of Director/ chief executive	Name of associated corporation	Capacity/Nature of interest directly and indirectly held	Number of shares of/capital contribution in associated corporation (Note 1)	Approximate percentage of shareholding/ equity interest of associated corporation
Mr. Yang	ZT (A) (Note 2)	Beneficial owner/Interest of spouse (Note 3)	21,831 (L)	24.27%
Mr. Liu	ZT (A) (Note 2)	Beneficial owner	4,621 (L)	5.13%
Mr. Chen	ZT (A) (Note 2)	Beneficial owner	2,195 (L)	2.44%
Mr. Min	ZT (A) (Note 2)	Beneficial owner/Interest of spouse (Note 4)	1,253 (L)	1.39%
Mr. Yang	Hunan Zhongtian Construction Group Corporation (" Zhongtian Construction ") (Note 5)	Beneficial owner	108,049 (L)	0.14%
Mr. Liu	Zhongtian Construction (Note 5)	Beneficial owner	35,550 (L)	0.05%
Mr. Chen	Zhongtian Construction (Note 5)	Beneficial owner	17,681 (L)	0.03%
Mr. Min	Zhongtian Construction (Note 5)	Beneficial owner	8,554 (L)	0.01%
Mr. Min	Zhuzhou Kaida Lifting Apparatus Leasing Company Limited (" Kaida Apparatus ") (Note 6)	Beneficial owner	RMB76,000 (L)	1.17%

Notes:

- (1) The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- (2) Our Company has been owned as to approximately 46.35% by ZT (A) as at 30 June 2026. Under the SFO, ZT (A) is an associated corporation of our Company.
- (3) ZT (A) is owned as to approximately 25.24% by Mr. Yang and 3.88% by Ms. Gan Yinghua. Ms. Gan Yinghua is the spouse of Mr. Yang. Mr. Yang is deemed to be interested in all the Shares held by Ms. Gan Yinghua by virtue of the SFO.
- (4) ZT (A) is owned as to approximately 1.30% by Mr. Min and 0.37% by Ms. Yang Bingquan (楊冰泉). Ms. Yang Bingquan is the spouse of Mr. Min. Mr. Min is deemed to be interested in all the Shares held by Ms. Yang Bingquan by virtue of the SFO.
- (5) Zhongtian Construction, a company established in the PRC, is owned as to approximately 99.5% by Hangxiao Materials, which is owned as to approximately 99.99% by Zhaolin Trading, which is an indirect wholly-owned subsidiary of our Company. Under the SFO, Zhongtian Construction is an associated corporation of our Company.
- (6) Kaida Apparatus, a company established in the PRC, is owned as to approximately 56.99% by Zhongtian Construction. Under the SFO, Kaida Apparatus is an associated corporation of our Company.

Corporate Governance and Other Information

Save as disclosed above, as at 30 June 2026, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) 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 were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2026, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held (Note 1)	Percentage of interest
ZT (A) (Note 2)	Beneficial owner	266,965,000 (L)	46.35%

Notes:

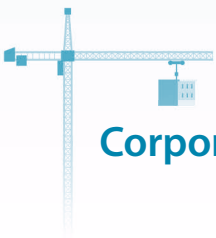
1. The letter "L" denotes a person's/corporation's "long position" (as defined under Part XV of the SFO) in the Shares.
2. ZT (A) is owned by 79 individual shareholders including 12 individuals who are directors or senior management members of our Group or their associates as to approximately 49.04% and 67 individuals who are Independent Third Parties including our employees as to approximately 50.96%, and none of such individual shareholders, together with his/her respective close associates, controls one-third or more of the voting power at the general meetings of ZT (A).

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our shareholders.

Our Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. During 1H2026, our Group has adopted the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Board is of the opinion that the Group had complied with all applicable CG Code provisions during 1H2026.



Corporate Governance and Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, no less than the requirements under the Model Code, on transactions of the Company’s securities for relevant employees (as defined in the Listing Rules).

Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during 1H2026.

SIGNIFICANT EVENT AFTER 1H2026

There was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors subsequent to 30 June 2026 and up to the date of this report.

COMPETING INTERESTS

A deed of non-competition dated 17 March 2023 (the “**Deed of Non-competition**”) has been entered into by ZT (A), the controlling shareholder of the Company within the meaning of the Listing Rules, and Zhongtian Holdings (collectively the “**Covenantors**”) in favour of the Company regarding certain non-competition undertakings given by the Covenantors in favour of the Company. The details of this deed of non-competition have been disclosed in the section headed “Relationship with our Controlling Shareholder” in the Prospectus.

The Board is of the view that, during 1H2026, none of the Directors, controlling shareholder of the Company, Hunan Zhongtian Holdings Group Company Limited* (湖南中天控股集團股份有限公司) (“**Zhongtian Holdings**”) and their respective close associates had any business or interest that competes or may compete with the business of the Group nor had any other conflicts of interest with the Group and the Board is not aware of any breach in the Deed of Non-competition.

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates (as defined in the Listing Rules) is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business for the six months ended 30 June 2026.

On behalf of the Board

Mr. Yang Zhongjie

Chairman and Executive Director