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CHINA TIANBAO GROUP DEVELOPMENT COMPANY LIMITED

中國天保集團發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1427)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

FINANCIAL HIGHLIGHTS

	<i>Notes</i>	Six months ended June 30	
		2025	2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue			
– Construction contracting business		700,061	706,952
– Property development and other business		127,284	114,299
– Healthcare business		–	–
Gross profit		39,439	35,050
Underlying loss	<i>1</i>	(34,931)	(27,784)
Reported loss	<i>2</i>	(37,294)	(28,848)
		RMB	RMB
Loss per share		(0.043)	(0.036)

Notes:

- Underlying loss is calculated as reported loss less fair value gain on financial assets at fair value through profit or loss and realised loss on financial assets at fair value through profit or loss, and is not prepared under the IFRSs.
- Reported loss is prepared under the IFRSs.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: Nil).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Tianbao Group Development Company Limited (the “**Company**”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”) prepared under the International Financial Reporting Standards (the “**IFRSs**”), together with comparative figures for the six months ended June 30, 2024 (the “**2024 Corresponding Period**”), as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended June 30, 2025

	<i>Notes</i>	2025 RMB’000 (unaudited)	2024 RMB’000 (unaudited)
REVENUE	4	827,345	821,251
Cost of sales		(787,906)	(786,201)
GROSS PROFIT		39,439	35,050
Other income and gains		1,213	9,414
Selling and distribution expenses		(123)	(3)
Administrative expenses		(48,484)	(30,144)
Fair value gain on financial assets at fair value through profit or loss		9,536	1,376
Other expenses		(542)	(2,363)
Finance costs		(30,689)	(37,968)
LOSS BEFORE TAX	5	(29,650)	(24,638)
Income tax expense	6	(7,644)	(4,210)
LOSS FOR THE PERIOD		(37,294)	(28,848)
Attributable to:			
Owners of the parent		(37,294)	(28,848)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted (<i>RMB</i>)			
For loss for the period		(0.043)	(0.036)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended June 30, 2025

	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
LOSS FOR THE PERIOD	<u>(37,294)</u>	<u>(28,848)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>330</u>	<u>(217)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	330	(217)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>546</u>	<u>—</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>876</u>	<u>(217)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(36,418)</u>	<u>(29,065)</u>
Attributable to:		
Owners of the parent	<u>(36,418)</u>	<u>(29,065)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

		June 30 2025 RMB'000 (unaudited)	December 31 2024 RMB'000 (audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,367,362	1,328,433
Investment properties		238,600	238,600
Right-of-use assets		8,944	9,659
Other intangible assets		481	259
Equity investments designated at fair value through other comprehensive income		143,400	143,400
Financial assets at fair value through profit or loss		5,305	12,619
Deferred tax assets		81,737	82,925
Total non-current assets		1,845,829	1,815,895
CURRENT ASSETS			
Inventories		96	53
Trade receivables	12	421,635	432,924
Contract assets		1,447,268	1,444,267
Properties under development	10	578,294	979,063
Completed properties held for sale	11	1,105,886	825,426
Prepayments, other receivables and other assets		334,227	305,088
Tax recoverable		21,600	22,736
Pledged deposits		180,734	206,180
Cash and cash equivalents		163,716	213,719
Total current assets		4,253,456	4,429,456

		June 30 2025	December 31 2024
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(audited)
CURRENT LIABILITIES			
Trade payables	13	1,759,237	1,923,212
Other payables and accruals		1,641,608	1,685,490
Interest-bearing bank and other borrowings	14	346,263	786,621
Lease liabilities		194	576
Tax payable		344,450	358,010
		<hr/>	<hr/>
Total current liabilities		4,091,752	4,753,909
		<hr/>	<hr/>
NET CURRENT ASSETS (LIABILITIES)		161,704	(324,453)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,007,533	1,491,442
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	14	1,101,910	575,200
Deferred tax liabilities		61,744	67,744
		<hr/>	<hr/>
Total non-current liabilities		1,163,654	636,944
		<hr/>	<hr/>
Net assets		843,879	854,498
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	7,913	7,281
Reserves		835,966	847,217
		<hr/>	<hr/>
Total equity		843,879	854,498
		<hr/>	<hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

During the six months ended June 30, 2025, the Group was involved in the following principal activities:

- Construction contracting
- Property development and others
- Healthcare

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The adoption of these amendments to IFRSs had no significant financial effect on the financial position and performance of the Group.

3. OPERATING SEGMENT INFORMATION

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

- (a) Construction contracting – this segment engages in the provision of services relating to construction work as a general contractor for building construction projects, infrastructure construction projects and property investment; and
- (b) Property development and others – this segment engages in the sale of properties and the provision of services relating to properties.
- (c) Healthcare – this segment engages in the development of Tianbao Jingbei Health City into a continuing care retirement community.

Following the change in the composition of the Group's operating segments that in turn results in a change in the reportable operating segments, the segment information for the six months ended June 30, 2024 has been restated to confirm to the presentation for the six months ended June 30, 2025.

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

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

For the six months ended June 30, 2025	Construction contracting RMB'000 (unaudited)	Property development and others RMB'000 (unaudited)	Healthcare RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue (note 4):				
Sales to external customers	700,061	127,284	–	827,345
Intersegment sales	–	–	–	–
Total revenue	700,061	127,284	–	827,345
<i>Reconciliation:</i>				
Eliminations of intersegment sales				–
Revenue				827,345
Segment results	(7,596)	(33,514)	6,697	(34,413)
<i>Reconciliation:</i>				
Eliminations of intersegment results				4,763
Loss before tax				(29,650)
As at June 30, 2025	Construction contracting RMB'000 (unaudited)	Property development and others RMB'000 (unaudited)	Healthcare RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment assets	5,882,187	9,678,931	1,220,761	16,781,879
<i>Reconciliation:</i>				
Eliminations of intersegment receivables				(10,682,594)
Total assets				6,099,285
Segment liabilities	4,753,821	7,091,654	535,809	12,381,284
<i>Reconciliation:</i>				
Eliminations of intersegment payables				(7,125,878)
Total liabilities				5,255,406

For the six months ended June 30, 2024 (restated)	Construction contracting <i>RMB'000</i> (unaudited)	Property development and others <i>RMB'000</i> (unaudited)	Healthcare <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment revenue (note 4):				
Sales to external customers	706,952	114,299	–	821,251
Intersegment sales	<u>56,301</u>	<u>–</u>	<u>–</u>	<u>56,301</u>
Total revenue	763,253	114,299	–	877,552
<i>Reconciliation:</i>				
Eliminations of intersegment sales				<u>(56,301)</u>
Revenue				<u><u>821,251</u></u>
Segment results	10,603	(37,508)	(421)	(27,326)
<i>Reconciliation:</i>				
Eliminations of intersegment results				<u>2,688</u>
Loss before tax				<u><u>(24,638)</u></u>
As at December 31, 2024	Construction contracting <i>RMB'000</i> (audited)	Property development and others <i>RMB'000</i> (audited)	Healthcare <i>RMB'000</i> (audited)	Total <i>RMB'000</i> (audited)
Segment assets	5,849,155	9,672,359	1,147,940	16,669,454
<i>Reconciliation:</i>				
Eliminations of intersegment receivables				<u>(10,424,103)</u>
Total assets				<u><u>6,245,351</u></u>
Segment liabilities	4,695,197	7,071,434	469,736	12,236,367
<i>Reconciliation:</i>				
Eliminations of intersegment payables				<u>(6,845,514)</u>
Total liabilities				<u><u>5,390,853</u></u>

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended June 30	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
<i>Revenue from contracts with customers</i>	820,739	815,063
<i>Revenue from other sources</i>		
Gross rental income from operating leases:		
Other lease payments, including fixed payments	<u>6,606</u>	<u>6,188</u>
	<u>827,345</u>	<u>821,251</u>

Revenue from contracts with customers

Disaggregated revenue information

For the six months ended June 30, 2025

	Construction contracting <i>RMB'000</i> (unaudited)	Property development and other <i>RMB'000</i> (unaudited)	Healthcare <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Types of goods or services				
Construction contracting	700,061	–	–	700,061
Property development	–	120,678	–	120,678
Healthcare	–	–	–	–
	<u>700,061</u>	<u>120,678</u>	<u>–</u>	<u>820,739</u>
Total revenue from contracts with customers	<u>700,061</u>	<u>120,678</u>	<u>–</u>	<u>820,739</u>
Geographical market				
Mainland China	<u>700,061</u>	<u>120,678</u>	<u>–</u>	<u>820,739</u>
Timing of revenue recognition				
Goods transferred at a point in time	–	120,678	–	120,678
Services transferred over time	<u>700,061</u>	<u>–</u>	<u>–</u>	<u>700,061</u>
Total revenue from contracts with customers	<u>700,061</u>	<u>120,678</u>	<u>–</u>	<u>820,739</u>

For the six months ended June 30, 2024

	Construction contracting <i>RMB'000</i> (unaudited)	Property development and other <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Types of goods or services			
Construction contracting	706,952	–	706,952
Property development	–	108,111	108,111
	<u> </u>	<u> </u>	<u> </u>
Total revenue from contracts with customers	<u>706,952</u>	<u>108,111</u>	<u>815,063</u>
Geographical market			
Mainland China	<u>706,952</u>	<u>108,111</u>	<u>815,063</u>
Timing of revenue recognition			
Goods transferred at a point in time	–	108,111	108,111
Services transferred over time	<u>706,952</u>	<u>–</u>	<u>706,952</u>
	<u> </u>	<u> </u>	<u> </u>
Total revenue from contracts with customers	<u>706,952</u>	<u>108,111</u>	<u>815,063</u>

For the six months ended June 30, 2025

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

Segments	Construction contracting <i>RMB'000</i> (unaudited)	Property development and other <i>RMB'000</i> (unaudited)	Healthcare <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Revenue from contracts with customers				
External customers	700,061	120,678	–	820,739
Intersegment sales	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>700,061</u>	<u>120,678</u>	<u>–</u>	<u>820,739</u>
Intersegment eliminations	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total revenue from contracts with customers	<u>700,061</u>	<u>120,678</u>	<u>–</u>	<u>820,739</u>

For the six months ended June 30, 2024

Segments	Construction contracting <i>RMB'000</i> (unaudited)	Property development and other <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Revenue from contracts with customers			
External customers	706,952	108,111	815,063
Intersegment sales	<u>56,301</u>	<u>–</u>	<u>56,301</u>
	763,253	108,111	871,364
Intersegment eliminations	<u>(56,301)</u>	<u>–</u>	<u>(56,301)</u>
Total revenue from contracts with customers	<u><u>706,952</u></u>	<u><u>108,111</u></u>	<u><u>815,063</u></u>

5. LOSS BEFORE TAX

The loss before tax of the Group is stated after charging the following:

	For the six months ended June 30	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Cost of construction contracting	667,872	664,471
Cost of properties development and others	120,034	121,730
Employee benefit expenses (including directors' and chief executive's remuneration):		
– Wages, salaries and allowances	19,384	10,638
– Social insurance	<u>2,901</u>	<u>2,454</u>
	<u>22,285</u>	<u>13,092</u>

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the six months ended June 30, 2025.

Subsidiaries of the Group operating in Mainland China were subject to the PRC corporate income tax rate of 25% in accordance with the PRC Corporate Income Tax Law for the six months ended June 30, 2025.

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

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

	For the six months ended June 30	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current income tax	3,889	1,133
PRC LAT	2,567	2,405
Deferred income tax	1,188	672
	<hr/>	<hr/>
	7,644	4,210
	<hr/> <hr/>	<hr/> <hr/>

7. DIVIDENDS

The Board has resolved not to recommend the payment of interim dividends for the six months ended June 30, 2025 (for the 2024 Corresponding Period: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The Group had no potentially dilutive ordinary shares in issue for the six months ended June 30, 2025 and 2024. The calculation of basic and dilutive loss per share is based on:

	For the six months ended June 30	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation:		
Loss attributable to ordinary equity holders of the parent	(37,294)	(28,848)
Number of shares		
	For the six months ended June 30	
	2025	2024
	(unaudited)	(unaudited)
Shares		
Weighted average number of ordinary shares in issue ('000 shares)	872,610	809,456

9. PROPERTY, PLANT AND EQUIPMENT

	As at June 30 2025 RMB'000 (unaudited)	As at December 31 2024 RMB'000 (audited)
Carrying amount at the beginning of period/year	1,328,433	1,236,389
Additions	42,662	98,551
Disposals	–	(1,128)
Depreciation expenses	(3,733)	(5,379)
	1,367,362	1,328,433

10. PROPERTIES UNDER DEVELOPMENT

	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Carrying amount at the beginning of period/year	979,063	898,741
Additions	643	80,322
Transferred to completed properties held for sale	(401,412)	–
	<u>578,294</u>	<u>979,063</u>

11. COMPLETED PROPERTIES HELD FOR SALE

	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Carrying amount at the beginning of period/year	825,426	1,045,934
Transferred from properties under development	401,412	–
Transferred to cost of sales	(120,952)	(181,852)
Impairment losses recognised	–	(38,656)
	<u>1,105,886</u>	<u>825,426</u>

12. TRADE RECEIVABLES

An ageing analysis of the Group's trade receivables based on the invoice date and net of loss allowance, is as follows:

	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Within 1 year	265,324	276,022
1 year to 2 years	84,285	99,009
2 years to 3 years	47,827	31,012
Over 3 years	24,199	26,881
	<u>421,635</u>	<u>432,924</u>

Trade receivables mainly represented receivables from construction contracting. The payment terms of contract work receivables are stipulated in the relevant contracts. The Group's trading terms with its customers are mainly on credit. The credit period offered by the Group is three to six months, except for retention receivable.

13. TRADE PAYABLES

An ageing analysis of the Group's trade payable based on the invoice date, is as follows:

	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Within 6 months	480,414	656,863
6 months to 1 year	369,819	331,292
1 year to 2 years	154,406	229,669
2 years to 3 years	211,335	193,899
Over 3 years	543,263	511,489
	<u>1,759,237</u>	<u>1,923,212</u>

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

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at June 30, 2025			As at December 31, 2024		
	Effective interest rate (%)	Maturity (unaudited)	<i>RMB'000</i>	Effective interest rate (%)	Maturity (audited)	<i>RMB'000</i>
Current						
Other loans						
– secured	12.00	Over due	246,497	12.00	Over due	250,479
– unsecured	12.00	Over due	35,566	12.00	Over due	35,942
Current portion of long term bank borrowings						
– secured	5.20–6.65	2025–2026	<u>64,200</u>	5.20–6.65	2025	<u>500,200</u>
			346,263			786,621
Non-current						
Bank borrowings						
– secured	3.00–6.65	2026–2041	<u>1,101,910</u>	3.00–6.65	2026–2041	<u>575,200</u>
			<u>1,448,173</u>			<u>1,361,821</u>

	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Analysed into:		
Bank and other borrowings repayable:		
Within one year or on demand	346,263	786,621
In the second year	479,510	174,800
In the third to fifth years, inclusive	150,000	–
Over five years	472,400	400,400
	<u>1,448,173</u>	<u>1,361,821</u>

The Group's bank and other borrowings are denominated in RMB and US dollar.

The Group's interest-bearing bank and other borrowings are pledged by the assets, the aggregate carrying amounts are as follows:

	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Investment properties	238,600	238,600
Properties under development	215,094	184,986
Property, plant and equipment	1,361,640	1,048,072
Right-of-use assets	7,548	7,662
	<u>2,822,882</u>	<u>2,479,320</u>

15. SHARE CAPITAL

	As at June 30 2025 <i>HK\$'000</i> (unaudited)	As at December 31 2024 <i>HK\$'000</i> (audited)
Shares		
Authorised:		
2,000,000,000		
(December 31, 2024: 2,000,000,000) ordinary shares of HK\$0.01 each	<u>20,000</u>	<u>20,000</u>
	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Issued and fully paid:		
877,936,000		
(December 31, 2024: 809,456,000) ordinary shares of HK\$0.01 each	<u>7,913</u>	<u>7,281</u>

16. CONTINGENT LIABILITIES

As at June 30, 2025, the Group has provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB1,744.6 million (unaudited) (As at December 31, 2024 (audited): RMB1,713.4 million).

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The Directors consider that the fair value of the guarantees is not significant, and in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties. Therefore, no provision for the guarantees has been made in the financial statements for the six months ended June 30, 2025.

17. COMMITMENTS

The Group had the following capital commitments:

	As at June 30 2025 RMB'000 (unaudited)	As at December 31 2024 RMB'000 (audited)
Contracted, but not provided for:		
Construction contracting	<u>201,472</u>	<u>258,616</u>

18. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	For the six months ended June 30 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest expense on other borrowings	1,027	2,126
Purchases of raw materials from companies of which a director of the Company is a controlling shareholder	–	784
Property management fee paid to related parties	1,097	903
Other rental income	850	850
Other interest income	<u>779</u>	<u>1,076</u>

(b) **Outstanding balances with related parties**

	As at June 30 2025 <i>RMB'000</i> (unaudited)	As at December 31 2024 <i>RMB'000</i> (audited)
Prepayments, other receivables and other assets:		
Advances to the ultimate holding company (<i>note 1</i>)	1,076	1,203
Advances to related parties (<i>note 2</i>)	6,124	6,674
	7,200	7,877
Other payables and accruals:		
Amounts due to other related parties (<i>note 2</i>)	9,882	9,020
Interest-bearing other borrowings		
Loans from the ultimate holding company (<i>note 3</i>)	35,566	35,942

Notes:

1. The balance was unsecured, interest-bearing at 8% per annum (December 31, 2024: 8% per annum), repayable on demand and non-trade.
2. Balances with the above related parties were unsecured, non-interest-bearing, repayable on demand and non-trade.
3. The balance was unsecured, interest-bearing at 12% per annum (December 31, 2024: 12% per annum), due within one year and non-trade. Pursuant to Rule 14A.90 of the Listing Rules, the loan was fully exempted from the announcement, circular and independent shareholders' approval requirements.

(c) **Compensation of senior management personnel:**

	For the six months ended June 30 2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Short-term employee benefits	5,057	4,390
Pension scheme contributions	29	47
Total compensation paid to senior management personnel	5,086	4,437

19. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on August 20, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

- Construction contracting business. As a construction company, the Group provides construction contracting services mainly as a general contractor for building construction projects, infrastructure construction projects, and industrial and commercial construction projects.
- Property development business. As a property developer, the Group focuses primarily on the development and sales of residential properties, and leasing and operation of investment properties.
- Healthcare business. As a healthcare service operator, the Group owns Tianbao Jingbei Health City, a comprehensive Continuing Care Retirement Community, to provide high-end medical and healthcare services for people in the Beijing-Tianjin-Hebei region.

During the Reporting Period, the Group's revenue was approximately RMB827 million, representing an increase of approximately RMB6 million (0.8%) as compared to the 2024 Corresponding Period. The Group's revenue of construction contracting business was approximately RMB700 million, representing a decrease of approximately RMB7 million (1.0%) as compared to the 2024 Corresponding Period. The Group's revenue of property development business was approximately RMB127 million, representing an increase of approximately RMB13 million (11.4%) as compared to the 2024 Corresponding Period. The Group has not recorded any revenue from its healthcare business as its Jingbei Health City has not recognized any revenue since its official operation on May 28, 2025, and such healthcare project is still under further construction.

The Group's gross profit and gross profit margin for the Reporting Period were approximately RMB39 million and 4.8%, respectively.

The Group's underlying loss for the Reporting Period was approximately RMB35 million, as compared to the underlying loss of approximately RMB28 million for the 2024 Corresponding Period.

As at June 30, 2025, the net gearing ratio of the Group was approximately 130.8% (as at December 31, 2024: 110.2%).

The Board has resolved not to recommend the payment of any interim dividend for the Reporting Period.

Reconciliation of underlying loss and reported loss is as follows:

	For the six months ended	
	June 30	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Reported loss	(37,294)	(28,848)
Fair value gain on financial assets		
at fair value through profit or loss	(9,536)	(1,376)
Realised loss of financial assets at fair value		
through profit or loss	11,899	2,439
	<hr/>	<hr/>
Underlying loss	(34,931)	(27,785)
	<hr/> <hr/>	<hr/> <hr/>

REVIEW FOR THE FIRST HALF OF 2025

In the first half of 2025, the national economy continued to show steady and positive growth, with strong resilience in production, accelerated growth of new drivers, consumption and investment working together to support demand recovery, stable prices and residents' income, and continued progress in high-quality development. However, with external challenges such as global economic fluctuations and trade frictions, coupled with insufficient release of domestic consumption potential and pains in the transformation of some industries, the foundation for economic recovery and improvement still needs to be consolidated.

The construction industry

In the first half of 2025, the construction industry maintained steady growth, with fixed asset investment growing at a reasonable pace. Projects such as major water conservancy projects and transportation infrastructure projects were carried out in an orderly manner, playing a strong driving role. According to the data from the National Bureau of Statistics, in the first half of 2025, the national gross production value of the construction industry was RMB13,674.5 billion, representing a year-on-year decrease of 1.13%; the floor space under construction of the national construction industry was 9.46 billion square meters, representing a year-on-year decrease of 14.31%.

The real estate industry

In the first half of 2025, the central and local governments implemented a policy package of “four cancellations, four reductions, and two increases” to stem the downturn and restore stability in the real estate market. Through foundational reforms such as land supply-side reform, pre-sale system reform, and adjustments to the real estate tax system, the industry shifted from incremental expansion to stock optimization, moving away from the previous phase of disorderly expansion characterized by “high turnover and high leverage”, and accelerating the transition to a new cycle focused on “quality-driven” construction of “high-quality housing”. According to the data from the National Bureau of Statistics, in the first half of 2025, the national real estate development investment was RMB4,665.8 billion, representing a year-on-year decrease of 11.2%; the sales area of newly-built commercial housing was 458.51 million square meters, representing a year-on-year decrease of 3.5%; the sales amount of commercial housing was RMB4,424.1 billion, representing a decrease of 5.5%, of which the sales amount of residential housing decreased by 5.2%.

The healthcare industry

In the first half of 2025, continued policy support from both the central and local governments led to a surge in market demand and a steady stream of industry innovations, promoting the healthcare industry to upgrade from traditional elderly care to high-quality elderly enjoyment. At the same time, driven by new quality productive forces such as the digital economy, artificial intelligence and biotechnology, the healthcare industry is embracing a new window for technological leaps. According to the latest data from the State Taxation Administration, in the first half of the year, sales revenue of elderly and disabled care services nationwide increased by 40.9% year-on-year, 37.7 percentage points higher than the average growth rate of the national service industry; revenue from elderly tourism services, sports and health services, and cultural and entertainment activities increased by 26.2%, 23.9% and 20.7%, respectively; and sales revenue from smart elderly care technology services and manufacturing of smart and wearable equipment for the elderly increased by 33.7% and 32.6%, respectively.

In the first half of 2025, the Group’s Jingbei Health City project officially commenced operations on May 28, 2025. The Jingbei Health City project, which integrates “medical care, elderly care and health” and takes “industry, education and research” as its foundation, has received strong support from various levels of government and China Construction Bank. Jingbei Hospital, the nursing center, and the elderly care apartments have been completed, along with basic supporting facilities such as an elderly university and a traditional Chinese medicine hall, to meet the diverse needs of the elderly. The Group is fully exploring a new “smart elderly care” model, committed to making it a new benchmark for the medical care, health, and elderly care industry in Hebei Province and even the entire country, providing high-quality elderly care homes for the elderly in the Beijing-Zhangjiakou region.

OUTLOOK FOR THE SECOND HALF OF 2025

In the first half of 2025, China's economy operated steadily under the dual pressure of a complex and severe external environment and internal structural adjustment, achieving a growth rate of 5.3%, and demonstrating strong resilience. Looking forward to the second half of the year, although the global economy still faces significant uncertainties, there are numerous structural opportunities amid market volatility. With the approval of the nation's major strategies, the investment ratio of traditional infrastructure and new infrastructure will be continuously optimised, and the incremental real estate investment will increasingly come from urban renewal initiatives. Under the protection of policies and structural optimization, the economy will steadily move towards high-quality growth.

The construction industry

With the deepening of "stable growth" policies, special bonds and REITs are synergistically releasing funds, accelerating the intelligent and green transformation of traditional infrastructure, and increasing the proportion of prefabricated buildings. The industry concentration has further highlighted, with leading enterprises expanding into the blue ocean of urban renewal and rural infrastructure construction, and small and medium-sized enterprises deeply cultivating segmented areas. It is expected that the national gross production value of the construction industry will maintain a reasonable growth rate in the second half of the year, adapting to high-quality economic development with "quality improvement" and supporting modernization.

The real estate industry

In the second half of 2025, real estate policies will, while maintaining stability, promote the stock optimization and incremental construction in the real estate market through precise measures and market self-adjustment, thereby achieving a halt in the decline and stabilisation of the real estate market. However, due to the impact of market confidence, the proportion of existing homes sales will become increasingly high, and the construction of "high quality housing" will become a policy focus.

The healthcare industry

With the deepening of the "Healthy China" strategy, China's healthcare industry is experiencing a dual boom of favourable policies and market demand. Although there is still a shortage of high-end healthcare talent, new business models such as smart elderly-care platforms and age-friendly smart devices are accelerating the layout, and the intelligent transformation of traditional healthcare institutions will gradually alleviate the supply-demand imbalance, becoming the core engine for the growth of the silver economy.

BUSINESS REVIEW

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

Segments	For the six months ended June 30			
	2025		2024	
	Revenue <i>RMB'000</i> (unaudited)	Percentage of total revenue (%) (unaudited)	Revenue <i>RMB'000</i> (unaudited)	Percentage of total revenue (%) (unaudited)
Construction contracting business	700,061	84.6	706,952	86.1
Property development business	127,284	15.4	114,299	13.9
Healthcare business	—	—	—	—
Total	<u>827,345</u>	<u>100.0</u>	<u>821,251</u>	<u>100.0</u>

(i) Construction contracting business

The Group has been engaged in the construction contracting business since 1998, as a general contractor for building, industrial, commercial and infrastructure construction projects. The Group generates a majority of its revenue from construction contracting business. During the Reporting Period, the Group generated a majority of its construction contracting revenue from construction projects located in Beijing-Tianjin-Hebei region, mainly in Hebei Province and Beijing. The Group's construction projects in other geographical locations were mainly located in Anhui Province and Chongqing.

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

Region	For the six months ended June 30			
	2025		2024	
	Percentage		Percentage	
	Revenue <i>RMB'000</i> (unaudited)	of total revenue (%) (unaudited)	Revenue <i>RMB'000</i> (unaudited)	of total revenue (%) (unaudited)
Beijing-Tianjin-Hebei	520,998	74.4	461,419	65.3
Other	179,063	25.6	245,533	34.7
Total	<u>700,061</u>	<u>100.0</u>	<u>706,952</u>	<u>100.0</u>

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

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

Project Types

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

	For the six months ended June 30			
	2025		2024	
	Revenue	Percentage	Revenue	Percentage
	<i>RMB'000</i>	of total	<i>RMB'000</i>	of total
		revenue		revenue
Project type	(unaudited)	(%)	(unaudited)	(%)
Building construction	117,975	16.9	282,572	40.0
Industrial, commercial and infrastructure construction	582,086	83.1	424,380	60.0
Total	700,061	100.0	706,952	100.0

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

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

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

The following is a brief introduction to the Group's large-scale construction contracting projects during the Reporting Period:

Phase II Construction Project of Xiaguan Xinju in Yu County

The project is located in Xiaguan Village, Yuzhou Town, Yu County, Zhangjiakou City, with a total GFA of approximately 91,000 sq.m. and a contract value of approximately RMB235 million. The project covers civil engineering, electrical engineering, water supply and drainage engineering, and other projects.

Upgrade Project for Rainwater and Sewage Pipelines at Matou Film and Television City Road and Jingbai Road

The project is located in Zhuozhou City, Baoding City, with a contract value of approximately RMB158 million. The project covers the laying of a 27,000-meter rainwater pipe network and other ancillary facilities.

Construction Project for the Conservation and Utilization of Representative Ancient Buildings in Yu County

The project is located in Yuzhou Town, Yu County, Zhangjiakou City, with a contract value of approximately RMB96 million. The project covers the ancient building improvement project, the rescue and reinforcement of Xigubao, other environment improvement projects, the repair of damaged roads inside the castle, and the upgrading and renovation of the national intangible cultural heritage auditorium and visitor center, totaling 140,000 sq.m..

Dujiangyan Maogong Temple Renovation Project

The project is located in Dujiangyan City, Chengdu City, Sichuan Province, with a contract value of approximately RMB5 million. The project covers the reinforcement and renovation of Maogong Temple, including the repair of the platform foundations and ground surfaces, and the reinforcement of the wooden structure.

Backlog and New Contract Value

Backlog value

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

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

	As of June 30			
	2025		2024	
	Contract value	Percentage of total contract value	Contract value	Percentage of total contract value
	<i>RMB million</i>	<i>(%)</i>	<i>RMB million</i>	<i>(%)</i>
Region	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Beijing-Tianjin-Hebei	3,194.2	38.2	3,233.3	39.7
Other	5,156.9	61.8	4,919.1	60.3
Total	<u>8,351.2</u>	<u>100.0</u>	<u>8,152.4</u>	<u>100.0</u>

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

	As of June 30			
	2025		2024	
	Contract value	Percentage of total contract value	Contract value	Percentage of total contract value
	<i>RMB million</i>	<i>(%)</i>	<i>RMB million</i>	<i>(%)</i>
Project type	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Building construction	2,486.0	29.8	2,365.4	29.0
Industrial, commercial and infrastructure construction	5,865.2	70.2	5,787.0	71.0
Total	<u>8,351.2</u>	<u>100.0</u>	<u>8,152.4</u>	<u>100.0</u>

New Contract Value

New contract value represents the aggregate value of contracts entered into by the Group during the Reporting Period and for the 2024 Corresponding Period. The contract value is the amount that the Group expects to receive under the terms of the contract if the contract is performed by the Group in accordance with its terms.

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

	For the six months ended June 30			
	2025		2024	
Region	Contract value	Percentage of total contract value	Contract value	Percentage of total contract value
	<i>RMB million</i> (unaudited)	(%) (unaudited)	<i>RMB million</i> (unaudited)	(%) (unaudited)
Beijing-Tianjin-Hebei	653.6	91.6	504.3	43.0
Other	59.6	8.4	668.1	57.0
Total	<u>713.3</u>	<u>100.0</u>	<u>1,172.4</u>	<u>100.0</u>

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

	For the six months ended June 30			
	2025		2024	
Project type	Contract value	Percentage of total contract value	Contract value	Percentage of total contract value
	<i>RMB million</i> (unaudited)	(%) (unaudited)	<i>RMB million</i> (unaudited)	(%) (unaudited)
Building construction	248.3	34.8	6.5	0.6
Industrial, commercial and infrastructure construction	465.0	65.2	1,165.9	99.4
Total	<u>713.3</u>	<u>100.0</u>	<u>1,172.4</u>	<u>100.0</u>

Having obtained the Premium Class Certificate in 2017, the Group has been involving in larger-scale building construction projects with increased complexity and higher returns nationwide. The value of the new contracts entered into by the Group amounted to approximately RMB713.3 million during the Reporting Period. The newly contracted regions expanded from focusing on the Beijing-Tianjin-Hebei region to Sichuan Province and Liaoning Province.

During the Reporting Period, the Group expanded the construction contracting business to regions other than Beijing-Tianjin-Hebei region. The outstanding contract value of projects in the backlog of other regions entered into by the Group amounted to approximately RMB5,156.9 million, accounting for approximately 61.8% of the total amount of the backlog.

(ii) Property development business

The Group's property development business operations consist of the development and sales of residential properties, and leasing and operation of investment properties. The revenue is derived from sales of residential properties and rental income from investment properties.

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

Business line	Nature of revenue	For the six months ended June 30			
		2025		2024	
		Revenue <i>RMB'000</i> (unaudited)	Percentage of total revenue (%) (unaudited)	Revenue <i>RMB'000</i> (unaudited)	Percentage of total revenue (%) (unaudited)
Property development and sales	Sales of residential properties	120,678	94.8	108,111	94.6
Commercial property investment and operations	Rental income	6,606	5.2	6,188	5.4
Total		<u>127,284</u>	<u>100.0</u>	<u>114,299</u>	<u>100.0</u>

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

Projects in Zhuozhou

Tianbao Green City

Located on the north side of Guanyun Road and the west side of Xuyi Village in Zhuozhou, the project covers a total site area of 33,764.1 sq.m. The project has convenient transportation facilities connecting Beijing-Shijiazhuang High-speed Railway and Beijing-Hong Kong-Macao Expressway. The GFA of the project is approximately 105,000 sq.m., including high-rise residential buildings, commercial properties and parking lots. As of June 30, 2025, 874 units have been launched, of which 841 units have been sold for Tianbao Green City.

Tianbao Xinyue Bay (also known as Project Ming Yang Phase I)

The project is located in Beixiguo Village, Matou Town, Zhuozhou, with convenient surrounding transportation facilities. The project can be reached through the Beijing-Hong Kong-Macao Expressway and the Beijing-Shijiazhuang High-speed Railway. The project covers a site area of approximately 17,593.3 sq.m. and has a GFA of approximately 48,000 sq.m., including high-rise residential buildings. There are 480 units in the project. As of June 30, 2025, a total of 439 units have been sold for 1# and 3# buildings. The project has been delivered to purchasers in batches since 2020. 2# building has a GFA of 7,243.0 sq.m., including a high-rise residential building with 56 units. 2# building is currently in the construction stage and is scheduled to be delivered in 2027.

Tianbao Smart Building Technology Park

The project is located at the intersection of Yongji East Road and Pengcheng Street in Zhuozhou. It covers a site area of 58,610.9 sq.m. and a GFA of approximately 310,000 sq.m.. The project is about 6 kilometers from Zhuozhou High-speed Railway Station, about 17 kilometers from Beijing Daxing International Airport and about 1 kilometer from Zhuozhou City Terminal of Beijing Daxing International Airport. This project is a high-end complex integrating business office, corporate headquarters office, commerce, micro-movie bar, catering and conferences. There are approximately 4,100 units in this project. As of June 30, 2025, 934 units have been launched and 437 units have been sold for this project. The process of delivery for use will commence in the first half of 2025.

Baoxin International Building

The project is located at No. 33 Guanyun East Road, Zhuozhou Development Zone, Hebei Province. It covers a total site area of 17,792.4 sq.m., with a total GFA of approximately 50,039.7 sq.m. Baoxin International Building is a comprehensive commercial building integrating office and business functions. After the completion of the project, it has won many awards, including the “Luban Prize” for the construction industry in 2017 and the “Guangsha Prize” for the property development industry in 2019. Baoxin International Building has contributed stable rental income to the Group.

Projects in Zhangjiakou

Tianbao New City

The project is located in the core area of Zhangbei County, at the intersection of Zhongdu Street and Xinghe Road in Zhangbei County. It covers a site area of approximately 230,000 sq.m., with a total GFA of approximately 600,000 sq.m. The project is developed and constructed in three phases, mainly high-rise and middle-high-rise buildings, consisting of 46 residential buildings, community clubs, kindergartens and a large-scale commercial complex Zhongdu Ginza (中都銀座). As of June 30, 2025, the residential units of Tianbao New City were basically sold out, and few remaining street shops are on sale.

Tianbao New City – Zhangbei Zhongdu Ginza

The project is located in the northwest of the residential area of Tianbao New City, mainly consisting of two high-rise apartments, office buildings and commercial podiums, being a landmark building in Zhangbei County. The project is a comprehensive high-end commercial building integrating shopping malls, cinemas, catering, conferences, offices, hotels, leisure, business and other functions, with a total GFA of approximately 86,690.5 sq.m.. The mall portion of which, named Tianbao Plaza (天保廣場), is a 5-storey diversified shopping hotspot with supermarkets, lifestyle stores, restaurants and cinemas. Pre-sale of high-rise apartments began in September 2020, with the portions sold commenced delivery to purchasers in 2021. As of June 30, 2025, 405 units have been delivered.

Zhangbei Fuxinyuan Shanty-town Improvement Project

Fuxinyuan residential community is a project constructed in response to Zhangbei County Government’s shanty-town reconstruction project, located on the north side of Zhangbei County Family Planning Bureau and east of Jingdu Street. The construction of the project started in September 2017 with a total of 1,272 units, including 1,252 residential units available for sale and 20 commercial units. As of June 30, 2025, 1,182 residential units were sold.

Tianbao Edelweiss City

The residential and commercial project is located in the north side of Yu County Economic Development Zone, with urban planning roads in the south, Edelweiss Avenue in the north, Industrial Street in the east and urban planning roads in the west. It consists of residential communities and commercial facilities. The project covers an area of approximately 155,000 sq.m., with a total GFA of approximately 430,000 sq.m.. Star-rated hotels, AAAAA-level office buildings and high-end communities will be built to create a multi-functional and high-efficiency urban complex integrating commercial offices, landmark buildings, residence, catering and entertainment. Tianbao Edelweiss City has 1,942 residential units available for sale, of which pre-sale of Phase I and Phase II residential units launched in 2019 and 2021, respectively, and pre-sale of Phase III, comprising a total of 85 commercial units, launched in 2021. As of June 30, 2025, a total of 1,407 units have been sold, and were delivered to purchasers since the 4th quarter of 2021.

Tianbao Boyue Bay

The project is located in the southwest of the urban area of Yu County, with West Outer Ring Road in the east, Qianjin West Road in the west, Heping West Road in the south and Lipuzi Village in the north. The project includes middle-high-rise residential units, high-rise residential units and commercial properties, covering an area of approximately 81,815 sq.m. and a total planned GFA of approximately 193,000 sq.m.. The construction work of the project started in 2019, and the pre-sale began in 2020. Tianbao Boyue Bay has a total of 1,476 residential units available for sale, and as of June 30, 2025, 1,413 units have been sold, and were delivered to purchasers since the first half of 2022.

Tianbao Jingxifu

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

Nasutu Hotel (formerly known as Haiziwa Hotel)

The project is a wholly self-owned project located in Zhangbei County, Zhangjiakou. As of June 30, 2025, the project has obtained all certificates. Conveniently located near Nasutu resort in Zhangjiakou, Hebei Province, Nasutu Hotel occupies a total site area of approximately 52,237.0 sq.m. and an aggregate GFA of approximately 33,967.5 sq.m. with a total of 180 guest rooms.

Land Reserves

The following table sets out the GFA breakdown of the Group's land reserves by geographical location as of June 30, 2025:

Region	Completed		Under development	Future development	Total land reserves	Percentage of total land reserves by geographical location (%)
	Unsold saleable GFA (sq.m.)	Rentable	Planned GFA under development (sq.m.)	Planned GFA (sq.m.)	Total GFA (sq.m.)	
		GFA held				
		for property investment (sq.m.)				
Zhuozhou	124,612	44,336	7,243	175,435	351,626	37.2
Zhangjiakou	138,610	34,364	10,238	410,506	593,718	62.8
Total	263,222	78,700	17,481	585,941	945,344	100.0

Commercial Property Investment and Operations

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

(iii) Healthcare business

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

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

In May 2025, the General Office of the Ministry of Industry and Information Technology and the General Office of the Ministry of Civil Affairs jointly issued the Notice on the Pilot Project of Paired Research and Scenario Application of Intelligent Elderly Care Service Robots (《關於開展智慧養老服務機器人結對攻關與場景應用試點工作的通知》). Adhering to the principles of “government guidance, demand-driven, phased implementation and continuous iterative calculation”, the focus is on improving the quality of life for the elderly, alleviating family caregiving pressure, bridging the human resource gap in institutional and community elderly care services, and promoting the improvement of the elderly care service system. A batch of pilot projects for the research and application of intelligent elderly care service robot will be implemented in phases, encouraging collaboration between research and application parties to conduct joint research, and advancing the application verification and iterative calculation for the upgrading of products in scenarios such as families, communities and elderly care institutions, so as to form a batch of robot products capable of meeting the needs of multi-level and diversified elderly care service. The standards, norms and evaluation system will be continuously established and improved to accelerate the promotion of robots empowering intelligent elderly care services and the development of the silver economy. The pilot period is 2025–2027. The pilot content includes three items: carrying out paired research, conducting scenario application verification, and improving the standard and evaluation system.

Tianbao Jingbei Health City

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

The project is located in Tumu Village, Tumu Town, Yanshan Cultural New City, Huailai County, Hebei Province, adjacent to Guanting Lake to enjoy unique and spectacular scenery and within easy reach of Beijing-Xizang Expressway, Beijing-Xinjiang Expressway, Beijing-Chongli Expressway, 110 National Highway and Beijing-Zhangjiakou High-speed Railway to enjoy the capital's half-an-hour life circle. The project will consist of four major components, namely hospitals, nursing centres, elderly care communities and elderly care science and technology industrial zones. A Continuing Care Retirement Community will be established to enable the elderly to continue living in a familiar environment and receive care services corresponding to their physical condition when their health conditions and self-care ability change by providing them with self-care, device-aide and nursing-care integrated living facilities and services.

The project covers a site area of approximately 200,000 sq.m.; the hospital has a total GFA of approximately 56,000 sq.m., and the nursing centres, elderly care apartments and elderly care community have a total GFA of approximately 450,000 sq.m. The elderly care community is equipped with supporting facilities such as the university for the elderly, nutrition and diet centre, elderly entertainment activity centre, and traditional Chinese medicine health care centre. The project will be constructed in two phases and is expected to provide 350 beds for medical treatment and 8,800 beds for the elderly healthcare. In addition, the Company will plan to construct the third phase of the project in accordance with the development progress of the project, including the health industry zone, which will comprise a training school for elderly care workers, physiotherapy and rehabilitation training base, research and development center for intelligent elderly care, large-scale data collection base for elderly care robots, elderly care assistive devices production centre and healthcare hotel, etc. The total investment of the project is approximately RMB2.55 billion, of which as of June 30, 2025, approximately RMB1.297 billion has been invested. The project will be constructed in phases, with the first phase comprising hospitals, nursing centres, elderly care apartments and part of the elderly care communities. The second phase includes the remaining elderly care communities.

On May 28, 2025, Tianbao Jingbei Health City project officially commenced operations. Currently, a hospital, a nursing centre, and five elderly care apartments have been completed, providing 350 beds for medical treatment and 1,500 beds for the elderly healthcare, offering hospital visits and elderly care services for the elderly. The elderly care communities will be completed in batches in 2025 and 2026, providing a total of 7,000 beds for the elderly healthcare. Jingbei Health City is committed to becoming the largest mid-to-high-end healthcare industrial city in northwest Beijing.

FINANCIAL REVIEW

1. Revenue

The revenue of the Group was primarily derived from two business segments: (i) construction contracting business; and (ii) property development business. Total revenue increased by 0.8% from approximately RMB821 million for the 2024 Corresponding Period to approximately RMB827 million for the Reporting Period. The increase in revenue was mainly due to Tianbao Smart City being delivered in 2025 within the property business during the Reporting Period.

1.1 Construction contracting business

The revenue of the Group's construction contracting business was primarily derived from the provision of construction contracting services mainly as a general contractor for building construction projects, and industrial, commercial and infrastructure construction projects.

The overall revenue from the Group's construction contracting business remained stable. During the Reporting Period, revenue reached RMB700 million.

1.2 Property development business

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

The aggregate GFA delivered decreased from 28,645 sq.m. for the 2024 Corresponding Period to 27,500 sq.m. for the Reporting Period and the recognised revenue increased from approximately RMB114 million for the 2024 Corresponding Period to approximately RMB127 million for the Reporting Period. During the Reporting Period, Tianbao Smart City was delivered to purchasers.

The rental income of the Group was primarily derived from lease of commercial investment properties. The Group holds these commercial investment properties for capital appreciation and leases them to generate rental income. As at June 30, 2025, the Group held one commercial investment property, Baoxin International Building and Tianbao Plaza, a shopping mall, which had a total rentable GFA of 78,700 sq.m..

1.3 Healthcare business

The Group's healthcare business includes various types of hospital charges, service fees for nursing centers, elderly care apartments, and elderly care communities, etc.

Tianbao Jingbei Health City officially started operations on May 28, 2025.

2. Cost of sales

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

The Group's cost of sales increased from approximately RMB786 million for the 2024 Corresponding Period to approximately RMB788 million during the Reporting Period, representing an increase of 0.2%, which was in line with the changes of construction contracting business and property development business of the Group.

3. Gross profit and gross profit margin

The Group's gross profit increased from approximately RMB35 million for the 2024 Corresponding Period to approximately RMB39 million for the Reporting Period. Gross profit margin increased from 4.3% for the 2024 Corresponding Period to approximately 4.8% for the Reporting Period.

4. Selling and distribution expenses

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

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

5. Administrative expenses

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

The Group's administrative expenses increased by 60.8% from approximately RMB30 million for the 2024 Corresponding Period to approximately RMB48 million for the Reporting Period. Staff costs (including Directors' remuneration) amounted to approximately RMB22 million during the Reporting Period (for the 2024 Corresponding Period: approximately RMB13 million).

6. Finance costs

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

The Group's finance costs decreased by 19.2% from RMB38 million for the 2024 Corresponding Period to RMB31 million for the Reporting Period.

7. Income tax expenses

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

The Group's income tax expenses increased by RMB3.4 million from approximately RMB4 million for the 2024 Corresponding Period to approximately RMB7.6 million for the Reporting Period, which was mainly due to the increase in the Group's provision of taxable profit and LAT derived from the construction contracting business and property development business.

8. Underlying loss for the Reporting Period

Due to the reasons above, the Group's underlying loss for the Reporting Period amounted to approximately RMB37 million (for the 2024 Corresponding Period: underlying loss of RMB28 million).

LIQUIDITY, FINANCE AND CAPITAL

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

1. Cash position

As at June 30, 2025, the Group's total pledged deposits, cash and cash equivalents amounted to approximately RMB344 million (December 31, 2024: approximately RMB420 million), which are denominated in RMB and Hong Kong dollar respectively, including pledged deposits of approximately RMB181 million as of June 30, 2025 (December 31, 2024: approximately RMB206 million).

2. Future plans for material investments and capital assets

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

3. Significant investments held

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

4. Debts and pledge of assets

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

	As of June 30, 2025			As of December 31, 2024		
	Effective interest rate (%)	Maturity (unaudited)	RMB'000	Effective interest rate (%)	Maturity (audited)	RMB'000
Current						
Secured other loans	12.00	Over due	246,497	12.00	Over due	250,479
Unsecured other loans	12.00	Over due	35,566	12.00	Over due	35,942
Current portion of secured long-term bank borrowings	5.20–6.65	2025–2026	64,200	5.20–6.65	2025	500,200
			<u>346,263</u>			<u>786,621</u>
Non-current						
Secured bank loans	3.00–6.65	2026–2041	1,101,910	3.00–6.65	2026–2041	575,200
			<u>1,448,173</u>			<u>1,361,821</u>

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

	As of June 30, 2025 RMB'000 (unaudited)	As of December 31, 2024 RMB'000 (audited)
Analysed into:		
Bank and other borrowings repayable:		
Within one year or on demand	346,263	786,621
In the second year	479,510	174,800
In the third to fifth years, both inclusive	150,000	–
Over five years	472,400	400,400
	<u>1,448,173</u>	<u>1,361,821</u>

The Group's interest-bearing bank and other borrowings are at fixed interest rate and all denominated in RMB and U.S. dollar.

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

	As of June 30, 2025 <i>RMB'000</i> (unaudited)	As of December 31, 2024 <i>RMB'000</i> (audited)
Investment properties	238,600	238,600
Properties under development	215,094	184,986
Property, plant and equipment	1,361,640	1,084,072
Right-of-use assets	<u>7,548</u>	<u>7,662</u>

On February 26, 2025, the Group entered into a supplemental agreement with the financial institution to extend the maturity date of an other borrowings approximately USD39,870,000 (equivalent to RMB282,063,000) for up to 36 months, with the interest rate to be reduced to 8%, upon certain pre-conditions to be satisfied.

5. Key financial ratios

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

	<i>Notes</i>	As of June 30, 2025	As of December 31, 2024
Current ratio (<i>times</i>)	1	1.04	0.93
Gearing ratio (%)	2	171.6	159.4
Net gearing ratio (%)	3	<u>130.8</u>	<u>110.2</u>

Notes:

1. Current ratios were calculated based on the total current assets as of the end of the respective periods divided by the total current liabilities as of the end of the respective periods.
2. Gearing ratios were calculated by total interest-bearing bank and other borrowings as of the end of the respective periods divided by total equity as of the end of the respective periods and multiplied by 100%.
3. Net gearing ratios were calculated as total interest-bearing bank and other borrowings as of the end of the respective periods less cash and bank balances and pledged deposits as of the end of the respective periods divided by total equity as of the end of the respective periods and multiplied by 100%.

6. Capital commitments

As of June 30, 2025, the Group had capital expenditure commitments (unaudited) contracted but not provided for of approximately RMB201 million (as of December 31, 2024 (audited): approximately RMB259 million).

7. Commitments

Operating Lease Commitments

The Group as a lessor

The Group lease its investment properties under operating lease arrangements with leases negotiated from terms ranging from one to ten years. At the end of the Reporting Period, the Group has total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As of June 30, 2025 RMB'000 (unaudited)	As of December 31, 2024 RMB'000 (audited)
Within one year	12,408	10,366
In the second to fifth years, both inclusive	34,121	32,050
After five years	7,863	7,132
	<u>54,392</u>	<u>49,548</u>

Contingent Liabilities

Mortgage guarantee

The Group has provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB1,744.6 million (unaudited) as of June 30, 2025 (as of December 31, 2024 (audited): approximately RMB1,713.4 million). The Group's guarantee period starts from the dates of the grant of relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

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

8. Material acquisitions and disposals

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

9. Foreign currency risk

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

10. Interest rate risk

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

OTHERS

Employees and remuneration policies

The emolument of the Group's employees is mainly determined based on prevailing market level of remuneration and the individual performance and work experience of employees.

The remuneration policies of the executive Directors and senior management of the Company are determined with reference to various factors including (i) the Group's actual operation; (ii) the remuneration levels of industry peers; (iii) position and duty of the executive Directors; and (iv) adjustment of organisational structure and others, and are reviewed annually in order to offer a reasonable remuneration package to attract, retain and motivate the Directors and senior management to serve the Group. The fee of the independent non-executive Directors is determined with reference to their respective duties and responsibilities in the Company and is reviewed annually.

During the Reporting Period, the Group's total staff costs (excluding the remuneration of the Directors and senior management) amounted to approximately RMB17.2 million (for the 2024 Corresponding Period: approximately RMB8.7 million), including salaries, wages, allowances and benefits.

The Group's long-term growth depends on the expertise and experience of our employees. The Group mainly recruits employees through on-campus recruitment, experienced hire and online recruitment.

In addition, the Group has adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's continual operation and development.

As at June 30, 2025, the Group had a total of 334 employees (as at June 30, 2024: 372 employees). The Group has established a comprehensive training system for our employees, based on their responsibilities, covering professional knowledge, technical, operational and managerial skills, corporate culture, internal control and other areas. Such programs are designed to foster career development for our employees and thus to invest in the future of the Group's human resources.

EVENTS AFTER THE REPORTING PERIOD

The Group has no significant events since the end of the Reporting Period.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the Reporting Period (for the 2024 Corresponding Period: Nil).

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company and any of its subsidiaries did not purchase, sell or redeem any securities of the Company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Save for the deviation from code provision C.2.1 of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") from January 1, to March 19, 2025, the Company had adopted the principles and code provisions of the Corporate Governance Code and has complied with all code provisions in the Corporate Governance Code during the Reporting Period.

To set out clearer division of responsibilities between the chairman and the chief executive officer as required pursuant to code provision C.2.1 of the Corporate Governance Code, Mr. Li Baotian has tendered his resignation as chief executive officer of the Company, with effect from March 19, 2025. The Company has appointed Ms. Shen Lifeng, an executive Director, as the chief executive officer of the Company, fully responsible for the strategic planning, capital market business operations, and brand promotion of the Company, with effect from March 19, 2025.

Our Board believes that Ms. Shen Lifeng's extensive professional background is highly aligned with the long-term development strategy of the Company. Guided by Ms. Shen, the Company will continue to consolidate its industry-leading position and create sustainable value for shareholders, employees, and society.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as a code for the Directors to deal in securities of the Company.

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

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company during the Reporting Period.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the Group's unaudited interim results for the six months ended June 30, 2025. The Audit Committee confirmed that it has complied with all accounting principles, standards and requirements, and made sufficient disclosures.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the HKEXnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.chinatbjt.com. The 2025 interim report of the Company with all the information as required by the Listing Rules will be despatched to the shareholders of the Company (the “**Shareholders**”) and will be published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

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

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

Hong Kong, August 20, 2025

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