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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, 2026

FINANCIAL HIGHLIGHTS

		Six months ended June 30	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue			
– Construction contracting business		**338,809**	700,061
– Property development and other business		**26,204**	127,284
– Healthcare business		**3,664**	–
Gross profit		**11,012**	39,439
Underlying loss	*1*	**(64,538)**	(34,931)
Reported loss	*2*	**(64,728)**	(37,294)
		RMB	*RMB*
Loss per share		**(0.074)**	(0.043)

Notes:

1. 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 IFRS Accounting Standards.

2. Reported loss is prepared under the IFRS Accounting Standards.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 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, 2026 (the "**Reporting Period**") prepared under the IFRS Accounting Standards, together with comparative figures for the six months ended June 30, 2025 (the "**2025 Corresponding Period**"), as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended June 30, 2026

	Notes	**2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
REVENUE	*4*	**368,677**	827,345
Cost of sales		**(357,665)**	(787,906)
GROSS PROFIT		**11,012**	39,439
Other income and (losses) gains, net		**(2,001)**	1,213
Selling and distribution expenses		**(3,388)**	(123)
Administrative expenses		**(44,305)**	(48,484)
Fair value gain on financial assets at fair value through profit or loss		**–**	9,536
Other expenses		**(547)**	(542)
Finance costs		**(26,560)**	(30,689)
LOSS BEFORE TAX	*5*	**(65,789)**	(29,650)
Income tax credit/(expense)	*6*	**1,061**	(7,644)
LOSS FOR THE PERIOD		**(64,728)**	(37,294)
Attributable to:			
Owners of the parent		**(64,728)**	(37,294)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted *(RMB)*			
For loss for the period		**(0.074)**	(0.043)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended June 30, 2026

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
LOSS FOR THE PERIOD	**(64,728)**	(37,294)
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	**4,717**	330
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**4,717**	330
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	**–**	546
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**4,717**	876
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	**(60,011)**	(36,418)
Attributable to:		
Owners of the parent	**(60,011)**	(36,418)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Notes	June 30 2026 RMB'000 (unaudited)	December 31 2025 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**1,555,276**	1,461,460
Investment properties		**238,000**	238,000
Right-of-use assets		**8,643**	8,944
Other intangible assets		**121**	168
Equity investments designated at fair value through other comprehensive income		**151,800**	151,800
Financial assets at fair value through profit or loss		**–**	6,351
Deferred tax assets		**91,772**	89,594
Total non-current assets		**2,045,612**	1,956,317
CURRENT ASSETS			
Inventories		**543**	333
Trade receivables	*12*	**467,743**	431,164
Contract assets		**1,264,752**	1,693,682
Properties under development	*10*	**357,760**	279,324
Completed properties held for sale	*11*	**597,060**	600,656
Prepayments, other receivables and other assets		**150,554**	329,294
Tax recoverable		**21**	21
Pledged deposits		**128,336**	163,469
Cash and cash equivalents		**184,865**	230,066
Total current assets		**3,151,634**	3,728,009

	Notes	**June 30 2026 RMB'000 (unaudited)**	December 31 2025 RMB'000 (audited)
CURRENT LIABILITIES			
Trade payables	*13*	**1,285,798**	1,604,416
Other payables and accruals		**1,301,537**	1,441,105
Interest-bearing bank and other borrowings	*14*	**497,859**	517,402
Lease liabilities		**91**	194
Tax payable		**353,964**	368,338
Total current liabilities		**3,439,249**	3,931,455
NET CURRENT LIABILITIES		**(287,615)**	(203,446)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,757,997**	1,752,871
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*14*	**995,360**	923,360
Deferred tax liabilities		**57,052**	63,915
Total non-current liabilities		**1,052,412**	987,275
Net assets		**705,585**	765,596
EQUITY			
Equity attributable to owners of the parent			
Share capital	*15*	**7,913**	7,913
Reserves		**697,672**	757,683
Total equity		**705,585**	765,596

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, 2026, 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, 2026 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, 2025.

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, 2025, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The adoption of these amendments to IFRS Accounting Standards 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.

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 results, which is a measure of loss 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, 2026	**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	**338,809**	**26,204**	**3,664**	**368,677**
Intersegment sales	**8,199**	**–**	**–**	**8,199**
Total revenue	**347,008**	**26,204**	**3,664**	**376,876**
Reconciliation:				
Eliminations of intersegment sales				**(8,199)**
Revenue				**368,677**
Segment results	**(56,035)**	**(4,833)**	**(11,045)**	**(71,913)**
Reconciliation:				
Eliminations of intersegment results				**6,124**
Loss before tax				**(65,789)**

As at June 30, 2026	**Construction contracting** *RMB'000* **(unaudited)**	**Property development and others** *RMB'000* **(unaudited)**	**Healthcare** *RMB'000* **(unaudited)**	**Total** *RMB'000* **(unaudited)**
Segment assets	**9,036,057**	**3,873,466**	**2,784,141**	**15,693,664**
Reconciliation:				
Eliminations of intersegment receivables				**(10,496,418)**
Total assets				**5,197,246**
Segment liabilities	**6,503,669**	**2,831,009**	**2,126,437**	**11,461,115**
Reconciliation:				
Eliminations of intersegment payables				**(6,969,454)**
Total liabilities				**4,491,661**

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
Reconciliation:				
Eliminations of intersegment sales				–
Revenue				827,345
Segment results	(7,596)	(33,514)	6,697	(34,413)
Reconciliation:				
Eliminations of intersegment results				4,763
Loss before tax				(29,650)

As at December 31, 2025	Construction contracting *RMB'000* (audited)	Property development and others *RMB'000* (audited)	Healthcare *RMB'000* (audited)	Total *RMB'000* (audited)
Segment assets	5,461,638	8,605,210	1,294,289	15,361,137
Reconciliation:				
Eliminations of intersegment receivables				(9,676,811)
Total assets				5,684,326
Segment liabilities	4,358,825	6,066,647	620,122	11,045,594
Reconciliation:				
Eliminations of intersegment payables				(6,126,864)
Total liabilities				4,918,730

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers	**367,339**	820,739
Revenue from other sources		
Gross rental income from operating leases:		
Other lease payments, including fixed payments	**1,338**	6,606
	368,677	827,345

Revenue from contracts with customers

Disaggregated revenue information

For the six months ended June 30, 2026

	Construction contracting	**Property development and other**	**Healthcare**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Types of goods or services				
Construction contracting	**338,809**	**–**	**–**	**338,809**
Property development	**–**	**24,866**	**–**	**24,866**
Healthcare	**–**	**–**	**3,664**	**3,664**
Total revenue from contracts with customers	**338,809**	**24,866**	**3,664**	**367,339**
Geographical market				
Mainland China	**338,809**	**24,866**	**3,664**	**367,339**
Timing of revenue recognition				
Goods transferred at a point in time	**–**	**24,866**	**–**	**24,866**
Services transferred over time	**338,809**	**–**	**3,664**	**342,473**
Total revenue from contracts with customers	**338,809**	**24,866**	**3,664**	**367,339**

For the six months ended June 30, 2025

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

For the six months ended June 30, 2026

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

Segments	**Construction contracting** ***RMB'000*** **(unaudited)**	**Property development and other** ***RMB'000*** **(unaudited)**	**Healthcare** ***RMB'000*** **(unaudited)**	**Total** ***RMB'000*** **(unaudited)**
Revenue from contracts with customers				
External customers	**338,809**	**24,866**	**3,664**	**367,339**
Intersegment sales	**8,199**	**–**	**–**	**8,199**
	347,008	**24,866**	**3,664**	**375,538**
Intersegment eliminations	**(8,199)**	**–**	**–**	**(8,199)**
Total revenue from contracts with customers	**338,809**	**24,866**	**3,664**	**367,339**

For the six months ended June 30, 2025

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

5. LOSS BEFORE TAX

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

	For the six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of construction contracting	**324,390**	667,872
Cost of properties development and others	**33,275**	120,034
Employee benefit expenses (including directors' and chief executive's remuneration):		
– Wages, salaries and allowances	**23,236**	19,384
– Social insurance	**3,420**	2,901
	26,656	22,285

6. INCOME TAX CREDIT/(EXPENSE)

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, 2026 and 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, 2026 and 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	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current income tax	**(925)**	(3,889)
PRC LAT	**(192)**	(2,567)
Deferred income tax	**2,178**	(1,188)
	1,061	(7,644)

7. DIVIDENDS

The Board has resolved not to recommend the payment of interim dividends for the six months ended June 30, 2026 (for the 2025 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, 2026 and 2025. The calculation of basic and dilutive loss per share is based on:

	For the six months ended June 30	
	2026	2025
	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	**(64,728)**	(37,294)

	Number of shares For the six months ended June 30	
	2026	2025
	(unaudited)	(unaudited)
Shares		
Weighted average number of ordinary shares in issue *('000 shares)*	**877,936**	872,610

9. PROPERTY, PLANT AND EQUIPMENT

	As at June 30 2026	As at December 31 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Carrying amount at the beginning of period/year	**1,461,460**	1,328,433
Additions	**100,800**	142,425
Disposals	**–**	(15)
Disposal of subsidiaries	**(92)**	(1)
Depreciation expenses	**(6,892)**	(9,382)
Carrying amount at the end of period/year	**1,555,276**	1,461,460

10. PROPERTIES UNDER DEVELOPMENT

	As at June 30 2026 *RMB'000* (unaudited)	As at December 31 2025 *RMB'000* (audited)
Carrying amount at the beginning of period/year	**279,324**	979,063
Additions	**119,355**	56,081
Transferred to completed properties held for sale	**(15,826)**	(458,563)
Disposal of subsidiaries	**(25,093)**	(297,257)
Carrying amount at the end of period/year	**357,760**	279,324

11. COMPLETED PROPERTIES HELD FOR SALE

	As at June 30 2026 *RMB'000* (unaudited)	As at December 31 2025 *RMB'000* (audited)
Carrying amount at the beginning of period/year	**600,656**	825,426
Transferred from properties under development	**15,826**	458,563
Transferred to cost of sales	**(19,422)**	(173,654)
Disposal of subsidiaries	**–**	(433,446)
Impairment losses recognised	**–**	(76,233)
Carrying amount at the end of period/year	**597,060**	600,656

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 2026 *RMB'000* (unaudited)	As at December 31 2025 *RMB'000* (audited)
Within 1 year	**243,255**	195,501
1 year to 2 years	**152,178**	176,427
2 years to 3 years	**28,093**	46,939
Over 3 years	**44,217**	12,297
	467,743	431,164

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 2026 *RMB'000* (unaudited)	As at December 31 2025 *RMB'000* (audited)
Within 6 months	**575,951**	593,301
6 months to 1 year	**81,810**	113,538
1 year to 2 years	**271,077**	376,207
2 years to 3 years	**95,219**	132,147
Over 3 years	**261,741**	389,223
	1,285,798	1,604,416

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, 2026			As at December 31, 2025		
	Effective interest rate (%)	**Maturity (unaudited)**	***RMB'000***	Effective interest rate (%)	Maturity (audited)	*RMB'000*
Current						
Other loans						
– secured	**12.00**	**Over due**	**228,812**	12.00	Over due	244,328
– unsecured	**12.00**	**Over due**	**33,607**	12.00	Over due	35,034
Current portion of long term bank borrowings						
– secured	**2.40–6.65**	**2026–2027**	**235,440**	2.40–6.65	2026	238,040
			497,859			517,402
Non-current						
Bank borrowings						
– secured	**2.40–6.65**	**2027–2041**	**995,360**	2.40–6.65	2026–2041	923,360
			1,493,219			1,440,762

	As at June 30 2026 *RMB'000* (unaudited)	As at December 31 2025 *RMB'000* (audited)
Analysed into:		
Bank and other borrowings repayable:		
Within one year or on demand	**497,859**	517,402
In the second year	**314,022**	314,022
In the third to fifth years, inclusive	**203,938**	203,938
Over five years	**477,400**	405,400
	1,493,219	1,440,762

Except for the 12.00% interest rate of other loans which are denominated in United States dollar, all borrowings are in RMB.

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 2026 *RMB'000*	As at December 31 2025 *RMB'000*
Investment properties	**238,000**	238,000
Properties under development	**57,001**	57,001
Property, plant and equipment	**1,267,018**	1,273,021
Right-of-use assets	**7,187**	7,331

15. SHARE CAPITAL

Shares	As at June 30 2026 *HK$'000* (unaudited)	As at December 31 2025 *HK$'000* (audited)
Authorised:		
2,000,000,000 (December 31, 2025: 2,000,000,000) ordinary shares of HK$0.01 each	**20,000**	20,000

	As at June 30 2026 *RMB'000* (unaudited)	As at December 31 2025 *RMB'000* (audited)
Issued and fully paid:		
877,936,000 (December 31, 2025: 877,936,000) ordinary shares of HK$0.01 each	**7,913**	7,913

16. CONTINGENT LIABILITIES

As at June 30, 2026, the Group has provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB529 million (unaudited) (December 31, 2025 (audited): RMB926 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, 2026 and 2025.

17. COMMITMENTS

The Group had the following capital commitments:

	As at June 30 2026	As at December 31 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Contracted, but not provided for:		
Construction contracting	**183,441**	194,751

18. RELATED PARTY TRANSACTIONS

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

	For the six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expense on other borrowings	**1,776**	1,027
Property management fee paid to related parties	**–**	1,097
Other rental income	**–**	850
Other interest income	**890**	779

(b) Outstanding balances with related parties

	As at June 30 2026 *RMB'000* (unaudited)	As at December 31 2025 *RMB'000* (audited)
Prepayments, other receivables and other assets:		
Advances to the ultimate holding company *(note 1)*	**1,294**	847
Advances to related parties *(note 2)*	**6,674**	6,124
	7,968	6,971
Other payables and accruals:		
Amounts due to other related parties *(note 2)*	**10,261**	11,380
Interest-bearing other borrowings		
Loans from the ultimate holding company *(note 3)*	**33,607**	35,034

Notes:

1. The balance was unsecured, interest-bearing at 8% per annum (December 31, 2025: 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, 2025: 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 2026 *RMB'000* (unaudited)	2025 *RMB'000* (unaudited)
Short-term employee benefits	**4,833**	5,057
Pension scheme contributions	**37**	29
Total compensation paid to senior management personnel	**4,870**	5,086

19. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on August 19, 2026.

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 RMB369 million, representing a decrease of approximately RMB458 million (55.4%) as compared to the 2025 Corresponding Period. The Group's revenue of construction contracting business was approximately RMB339 million, representing a decrease of approximately RMB361 million (51.6%) as compared to the 2025 Corresponding Period. The Group's revenue of property development business was approximately RMB26 million, representing a decrease of approximately RMB101 million (79.5%) as compared to the 2025 Corresponding Period. During the six months ended 30 June 2026, the construction of the healthcare business has been completed and the revenue of healthcare business of RMB4 million has been recognised.

The Group's gross profit and gross profit margin for the Reporting Period were approximately RMB11 million and 3.0%, respectively.

The Group's underlying loss for the Reporting Period was approximately RMB65 million, as compared to the underlying loss of approximately RMB35 million for the 2025 Corresponding Period.

As at June 30, 2026, the gearing ratio of the Group was approximately 211.6% (as at December 31, 2025: 188.2%).

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	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Reported loss	**(64,728)**	(37,294)
Fair value gain on financial assets at fair value through profit or loss	**–**	(9,536)
Realised loss of financial assets at fair value through profit or loss	**190**	11,899
Underlying loss	**(64,538)**	(34,931)

REVIEW FOR THE FIRST HALF OF 2026

As the first year of the 15th Five-Year Plan, 2026 saw a structural recovery in China's economy alongside cultivation and expansion of new quality productive forces. Nevertheless, the external development environment remained complex and volatile. Traditional industries including construction and real estate were still in a deep adjustment cycle, while momentum in domestic demand recovery varied structurally. Infrastructure investment underpinned economic growth, and the silver industry expanded against the trend, presenting a stark contrast. Focusing on the core task of transformational development, the Group advanced quality and efficiency improvement in the healthcare segment through the mature operation of Tianbao Jingbei Health City. Driven by coordinated development across all business divisions, the overall operating structure continued to improve, enabling stable and sound performance amid industry adjustment cycle.

The construction industry

In the first half of 2026, structural divergence persisted across the construction industry. Sustained growth in infrastructure investment bolstered the industry fundamentals. Major projects covering integrated transportation, new infrastructure and urban renewal were accelerated for delivery. The industry maintained stable overall operation, with faster progress in green and intelligent transformation. Yet spillover effects from the profound real estate market adjustment exerted downward pressure on the industry's overall output. According to the data from the National Bureau of Statistics, total output value of the construction industry reached RMB13,831.2 billion in the first half of 2026, representing a year-on-year decrease of 4%. The GFA of buildings under construction nationwide stood at 5,540.49 million sq.m., representing a year-on-year decrease of 12.5%.

The real estate industry

In the first half of 2026, capitalising on the launch of the 15th Five-Year Plan, central and local governments prioritised the core objectives of the stable and healthy development of the real estate market, continued to refine supporting institutions for the new development model of real estate, and vigorously promoted the development of green, smart and liveable residential buildings as well as city-wide urban renewal initiatives. A suite of reforms, including revitalising idle land, regulating sales mechanisms for completed properties and coordinating regional renewal and development, drove the industry to transition from risk resolution to normalised regulation and systematic transformation. The industry moved past extensive stock adjustment and accelerated the formation of a new high-quality development framework featuring stock upgrading, quality improvement and coordinated advancement, steadily improving the alignment between market supply and demand. According to the data from the National Bureau of Statistics, in the first half of 2026, China's real estate development investment amounted to approximately RMB3,807.4 billion, representing a year-on-year decrease of 18%. The sales area of newly built commercial housing reached 401.4 million sq.m., representing a year-on-year decrease of 11.6%. The sales revenue of commercial housing amounted to RMB3,794.5 billion, representing a year-on-year decrease of 13.6%. Residential sales revenue alone fell by 13.7% year on year.

The healthcare industry

The first half of 2026 witnessed comprehensive quality upgrading in China's healthcare industry. Supportive policies for elderly care rolled out continuously at all levels. Deep integration of medical and elderly care services, development of smart healthcare systems and cultivation of professional talent pipelines emerged as core development paths of the industry. The industry maintained steady progress, with continuously expanding prospects for the silver economy. Powered by new quality productive forces such as the digital economy, artificial intelligence and biotechnology, the healthcare industry embraced new opportunities for technological innovation. Sustained policy support from central and local authorities, booming market demand and emerging business model innovations drove the shift from conventional elderly care to high-quality senior living services in the healthcare industry.

Jingbei Health City, the Group's core project, entered a mature phase of normalised operation and refined quality and efficiency enhancement, achieving dual breakthroughs in operating efficiency and regional brand influence. Revenue from the project grew steadily in the first half, with a stable occupancy of 196 permanent elderly residents in the community. Leveraging its mature integrated medical and healthcare operation model, the project saw continuous expansion of its demonstration and spillover effects. It received over 3,000 prospective visitors in total, with more than 50 inspection visits from Party and government senior officials at provincial, municipal and county levels. Its innovative integrated medical and healthcare model won high recognition from competent authorities at all levels. The project kept upgrading industrial supporting facilities and service systems. A healthcare vocational training school was launched, and designated as Training Base of Zhangjiakou "Hebei Fusao" Academy. By deepening integrated "medical, elderly and healthcare" services, the project solidified the underpinnings for integrated operation, and reinforced its position as a benchmark for healthcare in the Beijing-Zhangjiakou area.

OUTLOOK FOR THE SECOND HALF OF 2026

In the first half of 2026, China's economy operated steadily amid headwinds from external volatility and adjustments in traditional industries, with the services sector and emerging industries acting as major growth drivers. Globally, geopolitical conflicts and trade protectionism continue to disrupt industrial chains. Population ageing and green, low-carbon transition are shared agendas for all nations. Balancing domestic and international markets, China promotes the overseas application of industrial standards and construction models through the Belt and Road Initiative. Uncertainties will persist in the external environment in the second half of the year. Nevertheless, successive introduction of policies under the 15th Five-Year Plan will unlock significant opportunities in urban renewal, new infrastructure and silver healthcare. All industries will accelerate transformation and quality enhancement while broadening room for international cooperation.

The construction industry

Under the Belt and Road cooperative framework, all countries are continuously advancing low-carbon infrastructure connectivity, with cooperation focused on the alignment of construction technical standards. Continuous funding is channelled via special-purpose bonds and supporting infrastructure funds. Green and intelligent retrofits of traditional infrastructure speed up, and the proportion of prefabricated buildings rises steadily alongside greater industrial concentration. Downward pressure on industry output is expected to ease in the second half of the year, with development focused on green and intelligent quality improvement. The Group will further deepen its presence in urban renewal and county-level infrastructure development, strive to deliver premium projects, and empower regional modernisation through high-quality construction.

The real estate industry

Cities worldwide are grappling with the challenge of renovating existing residential housing. Authorities under the Ministry of Housing and Urban-Rural Development have repeatedly shared China's practices in urban renewal and high-quality residential development at Sino-foreign exchanges for urban construction practitioners. In the second half of 2026, long-term supporting policies for the real estate industry will be implemented at a faster pace. Local governments will actively revitalise underutilised land, regarding the development of comprehensive community and high-quality housing as the core task of urban renewal. Market divergence will intensify. Demand for improved housing in core cities will recover gradually, and market recognition of existing housing and residential properties equipped with healthcare amenities will keep rising. The industry is shifting toward stock operation and quality-focused development more rapidly. In response to industry trends, the Group will draw on mature urban construction experience at home and abroad, expand comprehensive regional renewal business, develop residential projects integrated with healthcare facilities, coordinate the revitalisation of idle land and existing housing, and continuously upgrade high-quality liveable residential offerings.

The healthcare industry

Against the backdrop of population ageing, healthcare amenities have become an indispensable component of urban development. To adapt to the trend of population ageing, China is advancing initiatives under the Healthy China strategy, ramp up policy support for the silver economy, address talent shortages through industry-education integration, and accelerate the popularisation of smart elderly care services. In the second half of the year, Tianbao Jingbei Health City will further scale up operations, refine talent development and smart service systems for its healthcare business, and roll out standardised operational models. It will coordinate with urban renewal programmes to enhance elderly care service facilities, and continuously consolidate its leading position as a benchmark for healthcare in the Beijing-Zhangjiakou area.

BUSINESS REVIEW

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

	For the six months ended June 30			
	2026		2025	
Project type	**Revenue** *RMB'000* **(unaudited)**	**Percentage of total revenue** *(%)* **(unaudited)**	Revenue *RMB'000* (unaudited)	Percentage of total revenue *(%)* (unaudited)
Construction contracting business	**338,809**	**91.9**	700,061	84.6
Property development business	**26,204**	**7.1**	127,284	15.4
Healthcare business	**3,664**	**1.0**	–	–
Total	**368,677**	**100.0**	827,345	100.0

(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:

	For the six months ended June 30			
	2026		2025	
Region	**Revenue** *RMB'000* **(unaudited)**	**Percentage of total revenue** *(%)* **(unaudited)**	Revenue *RMB'000* (unaudited)	Percentage of total revenue *(%)* (unaudited)
Beijing-Tianjin-Hebei	**222,234**	**65.6**	520,998	74.4
Other	**116,575**	**34.4**	179,063	25.6
Total	**338,809**	**100.0**	700,061	100.0

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			
	2026		2025	
Project type	**Revenue** *RMB'000* **(unaudited)**	**Percentage of total revenue** *(%)* **(unaudited)**	Revenue *RMB'000* (unaudited)	Percentage of total revenue *(%)* (unaudited)
Building construction	**40,285**	**11.9**	117,975	16.9
Industrial, commercial and infrastructure construction	**298,524**	**88.1**	582,086	83.1
Total	**338,809**	**100.0**	700,061	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:

Renovation Project of Drainage Channels and Water-logging Points in Beida River Drainage Zone, Jinpu New Area

The project is located in the northern part of Jinzhou District, Jinpu New Area, Dalian City, Liaoning Province. It is a river regulation project with a contract value of RMB67.398 million. Construction works include widening and dredging the upstream urban reach of the Beida River. The project commences upstream of Shengli Road and ends approximately 70 metres downstream of the Shenyang-Dalian Railway Bridge, with a total length of 1,699 metres. The river channel will be widened to 32–48 metres. New retaining walls will be constructed on both banks, and riverbed lining works will be carried out.

Construction Project of New Area Senior High School, Jingxing County

The project is located in Jingxing County, Shijiazhuang City, Hebei Province. Main works include comprehensive teaching buildings, dormitories No. 1 and No. 2, canteens, gymnasiums/lecture halls, and other supporting ancillary facilities. The total GFA stands at 36,916 sq.m., with a project cost of RMB151.429 million. The dormitories adopt a 6-storey frame structure with raft foundations, with a ground floor height of 4.5 metres, a standard floor height of 3.6 metres, a main span of 7.2 metres, and a building height of 23.4 metres.

Upgrade Project of the Comprehensive Building of Changchun Branch, Bank of Jilin

The project is located at No. 1817 Dongnanhu Avenue, Changchun City, Jilin Province. The contract value is approximately RMB118 million, covering a renovation area of approximately 29,000 sq.m. The project includes interior and exterior decoration, glass curtain wall replacement, structural strengthening, courtyard and boundary wall renovation, water supply and drainage works, strong and weak current electrical works, mechanical and electrical installation works, etc.

Infrastructure Construction Project of Headquarters Base in Zhuozhou High-tech Industrial Development Zone, Hebei Province (Section 1)

The project is located in Zhuozhou High-tech Industrial Development Zone, Baoding City, Hebei Province. The project cost is RMB87.8041 million. The project mainly covers the construction of various municipal pipe networks and supporting ancillary facilities, serving as an important component of the regional road network and supporting utility system.

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			
	2026		2025	
Region	**Contract value** *RMB million* **(unaudited)**	**Percentage of total contract value** *(%)* **(unaudited)**	Contract value *RMB million* (unaudited)	Percentage of total contract value *(%)* (unaudited)
Beijing-Tianjin-Hebei	**3,639.8**	**40.6**	3,194.3	38.2
Other	**5,316.2**	**59.4**	5,156.9	61.8
Total	**8,956.0**	**100.0**	8,351.2	100.0

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			
	2026		2025	
Project type	**Contract value** *RMB million* **(unaudited)**	**Percentage of total contract value** *(%)* **(unaudited)**	Contract value *RMB million* (unaudited)	Percentage of total contract value *(%)* (unaudited)
Building construction	**2,329.1**	**26.0**	2,486.0	29.8
Industrial, commercial and infrastructure construction	**6,626.9**	**74.0**	5,865.2	70.2
Total	**8,956.0**	**100.0**	8,351.2	100.0

New Contract Value

New contract value represents the aggregate value of contracts entered into by the Group during the Reporting Period and for the 2025 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			
	2026		2025	
Region	**Contract value** ***RMB million*** **(unaudited)**	**Percentage of total contract value** ***(%)*** **(unaudited)**	Contract value *RMB million* (unaudited)	Percentage of total contract value *(%)* (unaudited)
Beijing-Tianjin-Hebei	**382.6**	**87.7**	653.6	91.6
Other	**53.8**	**12.3**	59.7	8.4
Total	**436.4**	**100.0**	713.3	100.0

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			
	2026		2025	
Project type	**Contract value** ***RMB million*** **(unaudited)**	**Percentage of total contract value** ***(%)*** **(unaudited)**	Contract value *RMB million* (unaudited)	Percentage of total contract value *(%)* (unaudited)
Building construction	**6.9**	**1.6**	248.3	34.8
Industrial, commercial and infrastructure construction	**429.5**	**98.4**	465.0	65.2
Total	**436.4**	**100.0**	713.3	100.0

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 RMB436 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 value of projects in the backlog of other regions entered into by the Group amounted to approximately RMB5,316 million, accounting for approximately 59.4% 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:

		For the six months ended June 30			
		2026		2025	
Business line	**Nature of revenue**	**Revenue** *RMB'000* **(unaudited)**	**Percentage of total revenue** *(%)* **(unaudited)**	Revenue *RMB'000* (unaudited)	Percentage of total revenue *(%)* (unaudited)
Property development and sales	Sales of residential properties	**24,866**	**94.9**	120,678	94.8
Commercial property investment and operations	Rental income	**1,338**	**5.1**	6,606	5.2
Total		**26,204**	**100.0**	127,284	100.0

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, 2026, 874 units have been launched, of which 825 units have been sold for Tianbao Green City.

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 in a straight-line distance away 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, 2026, 934 units have been launched and 457 units have been sold for this project.

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 2018 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 500,000 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, 2026, 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, and officially opened in 2022. Pre-sale of high-rise apartments began in September 2020, with the portions sold commenced delivery to purchasers in 2021. As of June 30, 2026, 417 units have been delivered.

Zhangbei Fuxinyuan Shanty-town Renovation Project

Fuxinyuan residential community is a project constructed in response to Zhangbei County Government's shanty-town reconstruction livelihood 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. The project was completed in 2020 and started to be delivered to purchasers in the same year. There are 1,252 residential units and 20 commercial units available for sale. As of June 30, 2026, 1,198 residential units were sold.

Nasutu Hotel (formerly known as Haiziwa Hotel)

The project is a wholly self-owned project located in Zhangbei County, Zhangjiakou. As of June 30, 2026, 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, 2026:

Region	Completed: Unsold saleable GFA (sq.m.)	Completed: Rentable GFA held for property investment (sq.m.)	Under development: Planned GFA under development (sq.m.)	Future development: Planned GFA (sq.m.)	Total land reserves: Total GFA (sq.m.)	Percentage of total land reserves by geographical location (%)
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 provided 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, 2026, 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 three business segments: (i) construction contracting business; (ii) property development business; and (iii) healthcare business. Total revenue decreased by 55.4% from approximately RMB827 million for the 2025 Corresponding Period to approximately RMB369 million for the Reporting Period. The decrease in revenue was mainly due to (i) a decrease in the number of construction contracts undertaken by the Group; and (ii) a decline in the average unit selling price of buildings 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 Group's revenue from construction contracting business decreased by 51.6% from approximately RMB700 million for the 2025 Corresponding Period to approximately RMB339 million during the Reporting Period due to a decrease in the number of construction contracts undertaken by the Group.

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 27,500 sq.m. for the 2025 Corresponding Period to 5,420 sq.m. for the Reporting Period and the recognised revenue decreased from approximately RMB127 million for the 2025 Corresponding Period to approximately RMB26 million for the Reporting Period.

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, 2026, the Group held two commercial investment properties, 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.

During the six months ended 30 June 2026, the construction of the healthcare business has been completed and the revenue of healthcare business of RMB4 million has been recognised.

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 decreased by 54.6% from approximately RMB788 million for the 2025 Corresponding Period to approximately RMB358 million during the Reporting Period, 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 decreased from approximately RMB39 million for the 2025 Corresponding Period to approximately RMB11 million for the Reporting Period. During the Reporting Period, gross profit margin decreased from 4.8% for the 2025 Corresponding Period to approximately 3.0% 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.

The Group's selling and distribution expenses increased significantly from approximately RMB123,000 for the 2025 Corresponding Period to approximately RMB3 million for 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 decreased by 8.3% from approximately RMB48 million for the 2025 Corresponding Period to approximately RMB44 million for the Reporting Period. Staff costs (including Directors' remuneration) amounted to approximately RMB27 million during the Reporting Period (for the 2025 Corresponding Period: approximately RMB22 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 12.9% from RMB31 million for the 2025 Corresponding Period to RMB27 million for the Reporting Period.

7. Income tax credit/(expenses)

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

The Group's income tax credit increased from income tax expense of approximately RMB8 million for the 2025 Corresponding Period to approximately RMB1 million for the Reporting Period, which was mainly due to the increase in the deferred tax credit.

8. Underlying loss for the Reporting Period

Due to the reasons above, the Group's underlying loss for the Reporting Period amounted to approximately RMB65 million (for the 2025 Corresponding Period: underlying loss of RMB35 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, 2026, the Group's total pledged deposits, cash and cash equivalents amounted to approximately RMB313 million (December 31, 2025: approximately RMB394 million), which are denominated in RMB and Hong Kong dollar respectively, including pledged deposits of approximately RMB128 million as of June 30, 2026 (December 31, 2025: approximately RMB163 million).

2. Future plans for material investments and capital assets

As at 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, 2026, 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, 2026			As of December 31, 2025		
	Effective interest rate ***(%)***	**Maturity (unaudited)**	***RMB'000***	Effective interest rate *(%)*	Maturity (audited)	*RMB'000*
Current						
Secured other loans	**12.00**	**Over due**	**228,812**	12.00	Over due	244,328
Unsecured other loans	**12.00**	**Over due**	**33,607**	12.00	Over due	35,034
Current portion of secured long-term bank borrowings	**2.40–6.65**	**2026–2027**	**235,440**	2.40–6.65	2026	238,040
			497,859			517,402
Non-current						
Secured bank loans	**2.40–6.65**	**2027–2041**	**995,360**	2.40–6.65	2026–2041	923,360
			1,493,219			1,440,762

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, 2026 ***RMB'000*** **(unaudited)**	As of December 31, 2025 *RMB'000* (audited)
Analysed into:		
Bank and other borrowings repayable:		
Within one year or on demand	**497,859**	517,402
In the second year	**314,022**	314,022
In the third to fifth years, both inclusive	**203,938**	203,938
Over five years	**477,400**	405,400
	1,493,219	1,440,762

Except for the 12.00% interest rate of other loans which are denominated in United States dollar, all borrowings are in RMB.

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

	As of June 30, 2026 *RMB'000* **(unaudited)**	As of December 31, 2025 *RMB'000* (audited)
Investment properties	**238,000**	238,000
Properties under development	**57,001**	57,001
Property, plant and equipment	**1,267,018**	1,273,021
Right-of-use assets	**7,187**	7,331

5. Key financial ratios

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

	Notes	**As of June 30, 2026**	**As of December 31, 2025**
Current ratio *(times)*	*1*	**0.92**	0.95
Gearing ratio *(%)*	*2*	**211.6**	188.2
Net gearing ratio *(%)*	*3*	**167.2**	136.8

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, 2026, the Group had capital expenditure commitments (unaudited) contracted but not provided for of approximately RMB183 million (as of December 31, 2025 (audited): approximately RMB195 million).

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 RMB529 million (unaudited) as of June 30, 2026 (as of December 31, 2025 (audited): approximately RMB926 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.

7. Material acquisitions and disposals

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

8. 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.

9. Interest rate risk

The Group's interest rate risk arises from interest-bearing bank deposits and bank and other borrowings. Bank deposits 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 RMB26.7 million (for the 2025 Corresponding Period: approximately RMB22.3 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, 2026, the Group had a total of 384 employees (as at June 30, 2025: 334 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 2025 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

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of its Shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (as amended from time to time) and has complied with all the applicable code provisions in the Corporate Governance Code during the Reporting Period.

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 for securities transactions. 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. Li Qingxu and Ms. Chen Zhu. 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, interim report and unaudited interim condensed consolidated financial information for the six months ended June 30, 2026. 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 2026 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 19, 2026

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 Ms. Chen Zhu, Mr. Li Qingxu and Mr. Li Xu.