



**Zhongshen Jianye Holding Limited**

**中深建業控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2503

# 2026

## INTERIM REPORT



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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

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

## INDEPENDENT NON-EXECUTIVE DIRECTORS

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

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

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

## COMPANY SECRETARY

Mr. Ng Ka Chai

## AUTHORISED REPRESENTATIVES

Mr. Xian Yurong  
Mr. Ng Ka Chai

## PRINCIPAL BANKERS

China Construction Bank  
Shenzhen Futian Yinzuo Rural Bank

## REGISTERED OFFICE

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PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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# CORPORATE INFORMATION

## LEGAL ADVISER AS TO HONG KONG LAW

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Central  
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## HONG KONG BRANCH SHARE REGISTRAR

### **Tricor Investor Services Limited**

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## AUDITOR

### **Crowe (HK) CPA Limited**

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## COMPANY WEBSITE

[www.zsjy.top](http://www.zsjy.top)

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

### **Conyers Trust Company (Cayman) Limited**

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Cayman Islands

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

Zhongshen Jianye Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is a private general contracting construction enterprise in the People’s Republic of China (the “**PRC**”). The Group has been granted five first-grade construction contracting qualifications, including (i) the first-grade qualification in building construction general contracting (建築工程施工總承包一級); (ii) the first-grade qualification in municipal and public construction general construction (市政公用工程施工總承包一級); (iii) the first-grade qualification in foundation construction specialised contracting (地基基礎工程專業承包一級); (iv) the first-grade qualification in building electrical and mechanical installation and engineering specialised contracting (建築機電安裝工程專業承包一級); and (v) the first-grade qualification in building renovation and decoration construction specialised contracting (建築裝修裝飾工程專業承包一級). We also attain six other second-grade construction contracting qualifications covering different specialisations such as petrochemical engineering construction, steel structure construction and environmental protection construction. We were the recipient of the award named “Top 500 Enterprises in Shenzhen” (深圳500強企業) from 2020 to 2025.

During the six months ended 30 June 2026, the Group completed the acquisition of Huajian Development Limited and its subsidiaries (“**Huajian**”), which provide comprehensive engineering consulting and supervision services in the PRC. Huajian has been granted the qualification of comprehensive engineering supervision (工程監理企業綜合資質), which represents the highest qualification in the engineering supervision industry. The acquisition enables the Group to broaden its customer base and further strengthen its position and competitiveness in the construction industry by integrating its resources in construction contracting.

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

## FINANCIAL REVIEW

### Revenue

The Group recorded a decrease in revenue by approximately RMB9.1 million or 4.5% from approximately RMB201.3 million for the six months ended 30 June 2025 to approximately RMB192.2 million for the six months ended 30 June 2026. Such decrease was mainly attributable to the decrease in the number of construction projects in the current period, primarily due to the overall slowdown in the construction industry in the PRC in recent years, and was partially offset by the revenue contribution from engineering consulting and supervision services following the acquisition of Huajian.

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the breakdown of our revenue by type of services for the six months ended 30 June 2026 and 2025:

|                                                 | Six months ended 30 June |              |                |              |
|-------------------------------------------------|--------------------------|--------------|----------------|--------------|
|                                                 | 2026                     |              | 2025           |              |
|                                                 | RMB'000                  | %            | RMB'000        | %            |
| Construction services                           |                          |              |                |              |
| Construction engineering projects               | 65,578                   | 34.1         | 103,518        | 51.4         |
| Municipal and public construction projects      | 69,734                   | 36.3         | 74,283         | 36.9         |
| Foundation engineering projects                 | 793                      | 0.4          | 2,009          | 1.0          |
| Specialised contracting projects                | 36,315                   | 18.9         | 9,804          | 4.9          |
| Photovoltaic engineering projects               | 6,687                    | 3.5          | 11,662         | 5.8          |
|                                                 | 179,107                  | 93.2         | 201,276        | 100.0        |
| Engineering consulting and supervision services | 13,056                   | 6.8          | —              | —            |
| <b>Total</b>                                    | <b>192,163</b>           | <b>100.0</b> | <b>201,276</b> | <b>100.0</b> |

## Construction engineering projects

Construction engineering projects primarily consist of structural and/or engineering works for commercial and residential buildings and community facilities. Revenue generated from construction engineering projects decreased by approximately RMB37.9 million or 36.7% from approximately RMB103.5 million for the six months ended 30 June 2025 to approximately RMB65.6 million for the six months ended 30 June 2026. Such decrease was mainly attributable to the reduction in the number of construction engineering projects as a result of the overall slowdown and smaller scale of projects in the PRC construction industry, as well as certain existing projects being completed or reaching later stage of development and the lower contract values of new projects secured during the period.

## Municipal and public construction projects

Municipal and public construction projects primarily consist of urban and rural public infrastructure construction, including environment improvement works, construction of sewage treatment infrastructure and roadwork. Revenue generated from municipal and public construction projects decreased by approximately RMB4.6 million or 6.1% from approximately RMB74.3 million for the six months ended 30 June 2025 to approximately RMB69.7 million for the six months ended 30 June 2026. Such decrease was mainly attributable to the different stages of completion of certain ongoing projects during the period.

## Foundation engineering projects

Foundation engineering projects primarily consist of earthwork and foundation construction and slope protection work. Revenue generated from foundation engineering projects decreased by approximately RMB1.2 million from approximately RMB2.0 million for the six months ended 30 June 2025 to approximately RMB0.8 million for the six months ended 30 June 2026.

## Specialised contracting projects

Specialised contracting projects primarily consist of building renovation and decoration works services. Revenue generated from specialised contracting projects increased by approximately RMB26.5 million or 270.4% from approximately RMB9.8 million for the six months ended 30 June 2025 to approximately RMB36.3 million for the six months ended 30 June 2026. The number of revenue generating specialised contracting projects increased from 4 projects for the six months ended 30 June 2025 to 12 projects for the six months ended 30 June 2026.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Photovoltaic engineering projects

Photovoltaic engineering projects primarily consist of the utilisation of solar photovoltaic technology to convert sunlight into electrical energy. Revenue generated from photovoltaic engineering projects decreased by approximately RMB5.0 million or 42.7% from approximately RMB11.7 million for the six months ended 30 June 2025 to approximately RMB6.7 million for the six months ended 30 June 2026. Such decrease was mainly attributable to the lower contract values of new projects secured during the period, which remained at an early stage of development.

## Engineering consulting and supervision services

Engineering consulting and supervision services primarily comprises engineering construction supervision, tendering and full-process construction cost consultation services. Revenue was contributed by the acquisition of Huajian and amounted to approximately RMB13.1 million for the six months ended 30 June 2026.

## Cost of revenue

The following table sets forth the breakdown of our cost of revenue by nature for the six months ended 30 June 2026 and 2025:

|                                                           | Six months ended 30 June |              |                |              |
|-----------------------------------------------------------|--------------------------|--------------|----------------|--------------|
|                                                           | 2026                     |              | 2025           |              |
|                                                           | RMB'000                  | %            | RMB'000        | %            |
| Raw material costs                                        | 75,820                   | 42.8         | 100,513        | 53.1         |
| Labour subcontracting costs and employee benefit expenses | 59,976                   | 33.9         | 52,939         | 27.9         |
| Specialised construction subcontracting costs             | 29,570                   | 16.7         | 26,917         | 14.2         |
| Equipment and machinery usage costs                       | 6,842                    | 3.9          | 5,262          | 2.8          |
| Other project costs                                       | 4,845                    | 2.7          | 3,804          | 2.0          |
| <b>Total cost of revenue</b>                              | <b>177,053</b>           | <b>100.0</b> | <b>189,435</b> | <b>100.0</b> |

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

The decrease in cost of revenue of approximately RMB12.4 million or 6.5% for the six months ended 30 June 2026 as compared to that for the six months ended 30 June 2025 was in line with the decrease in revenue.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Gross profit and gross profit margin

The following table sets forth the breakdown of our gross profit and gross profit margin by type of services for the six months ended 30 June 2026 and 2025:

|                                                 | Six months ended 30 June |                          |                         |                          |
|-------------------------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|
|                                                 | 2026                     |                          | 2025                    |                          |
|                                                 | Gross profit<br>RMB'000  | Gross profit margin<br>% | Gross profit<br>RMB'000 | Gross profit margin<br>% |
| Construction services                           |                          |                          |                         |                          |
| Construction engineering projects               | 3,542                    | 5.4                      | 7,003                   | 6.8                      |
| Municipal and public construction projects      | 301                      | 0.4                      | 3,509                   | 4.7                      |
| Foundation engineering projects                 | 46                       | 5.8                      | 119                     | 5.9                      |
| Specialised contracting projects                | 1,927                    | 5.3                      | 568                     | 5.8                      |
| Photovoltaic engineering projects               | 376                      | 5.6                      | 642                     | 5.5                      |
|                                                 | 6,192                    | 3.5                      | 11,841                  | 5.9                      |
| Engineering consulting and supervision services | 8,918                    | 68.3                     | —                       | —                        |
| <b>Total</b>                                    | <b>15,110</b>            | <b>7.9</b>               | <b>11,841</b>           | <b>5.9</b>               |

Gross profit margin of construction engineering projects decreased from approximately 6.8% for the six months ended 30 June 2025 to approximately 5.4% for the six months ended 30 June 2026. The relatively higher gross profit margin for the six months ended 30 June 2025 was mainly due to the impact of finalisation of accounts for certain projects, while certain new projects commenced during the current period carried a relatively lower gross profit margin.

Gross profit margin of municipal and public construction projects decreased from approximately 4.7% for the six months ended 30 June 2025 to approximately 0.4% for the six months ended 30 June 2026. Such decrease was primarily attributable to the impact of finalisation of accounts for certain projects upon completion during the current period.

Gross profit margin of foundation engineering projects and photovoltaic engineering projects remained relatively stable for the six months ended 30 June 2026 and 2025.

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

Gross profit margin of engineering consulting and supervision services for the six months ended 30 June 2026 was approximately 68.3%, which was contributed by the acquisition of Huajian. The higher gross profit margin from engineering consulting and supervision services as compared with that of construction services was primarily due to the service-oriented nature of its works, which generally incur lower direct costs (such as materials and subcontracting costs) and depend more on professional expertise and the complexity of projects involved.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Administrative expenses

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

The decrease in administrative expenses of approximately RMB0.1 million or 0.7% for the six months ended 30 June 2026 was mainly attributable to the decrease in staff costs, partially offset by the increase in amortisation of intangible assets in current period. The higher amortisation was due to the intangible assets (licenses and backlog contracts) recognised in current period following the acquisition of Huajian.

## Impairment losses on trade and other receivables and contract assets

The Group applies the simplified approach to provide for expected credit loss prescribed by the accounting standards, which require the use of the lifetime expected loss provision for all contract assets and trade receivables. For the six months ended 30 June 2026, the Group recognised impairment losses of approximately RMB1.9 million on trade and other receivables and contract assets (30 June 2025: RMB2.9 million).

## Finance costs — net

Finance costs primarily consist of interest expenses on factoring, bank borrowings and lease liabilities. The increase in finance costs — net for the six months ended 30 June 2026 was mainly attributable to the increase in interest expense on bank borrowings and decrease in interest income from bank deposits.

## Income tax (expense)/credit

Income tax (expense)/credit mainly comprises provision for PRC Corporate Income Tax and movements in deferred income tax assets.

## Loss and total comprehensive loss for the period

As a result of the foregoing, the Group's loss for the period decreased from approximately RMB11.8 million for the six months ended 30 June 2025 to approximately RMB9.5 million for the six months ended 30 June 2026, which was mainly attributable to the increase in gross profit following the acquisition of Huajian and the decrease in impairment losses on trade and other receivables and contract assets, partially offset by higher income tax expense.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash flows

As at 30 June 2026 and 31 December 2025, we had cash and cash equivalents of approximately RMB329.6 million and RMB58.6 million, respectively. The significant increase was mainly attributable to the receipt of share application monies of approximately HK\$264.5 million (equivalent to approximately RMB229.9 million). Our primary uses of cash were mainly for financing our daily operations and working capital requirements in relation to the execution of our projects, including payment for procurement of raw materials and subcontracting costs.

### Bank borrowings

As at 30 June 2026, the Group had bank borrowings of approximately RMB56.9 million (31 December 2025: RMB69.6 million), all of which were repayable within one year, denominated in RMB and carried fixed interest rates. The bank borrowings were primarily used for the Group's working capital.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Gearing ratio

Gearing ratio is calculated as total borrowings (i.e. bank borrowings) divided by the total equity as at the respective reporting dates. The gearing ratio as at 30 June 2026 was approximately 7.7% (31 December 2025: 12.5%).

## Net debt to equity ratio

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

The net debt to equity ratio was not applicable as at 30 June 2026 as the Group had net cash position as at that date. The net debt to equity ratio was approximately 2.0% as at 31 December 2025.

## Treasury management

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

## Prepayments to suppliers

The Group's prepayments to suppliers mainly represents the prepayment to raw materials suppliers and labour subcontractors. In line with industry norms and our experience in the construction sector, we maintain a policy of providing advance payments at agreed percentages to our regular labour subcontractors to ensure timely payment to workers, secure labour availability, and support project continuity.

The Group considers that most suppliers maintain long-term business relationships with the Group, and the prepayments were made under contracts requiring them to provide goods or services, with no breaches or disputes identified to date. The related construction projects remain ongoing, and the Group actively reviews suppliers' performance. In addition, many suppliers have been established for many years, possess strong capabilities, and present a low risk of default.

## Capital expenditures and commitments

The Group incurred capital expenditures of approximately RMB0.3 million for the six months ended 30 June 2026 (30 June 2025: nil).

The Group had no significant capital commitments as at 30 June 2026 (31 December 2025: nil).

## Foreign exchange exposure

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## PLEDGE OF ASSETS

As at 30 June 2026, the Group's land and building with a net carrying amount of approximately RMB41.5 million (31 December 2025: RMB42.5 million) were pledged to secure certain interest-bearing bank borrowings.

## HUMAN RESOURCES

The directors of the Company (the **"Directors"**) considered that the Group has maintained good relationships with its employees, and has not experienced any significant problems with employees or any disruptions to operations due to labour disputes, nor has experienced any difficulties in the recruitment or retention of experienced staff or skilled personnel during the six months ended 30 June 2026.

As at 30 June 2026, the Group has 340 employees in total, all of them are located in the PRC. The Group recruits employees from the open market by placing recruitment advertisements and offering competitive remuneration packages. Training courses are provided for our staff to ensure their competence and to keep them abreast of the latest developments and best practices in the industry to enhance their work performance. For the six months ended 30 June 2026, total staff costs were approximately RMB15.0 million (30 June 2025: RMB13.1 million).

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

## MATERIAL ACQUISITION AND DISPOSAL

On 6 November 2025, the Company (as purchaser) and Huajian Investment Limited, Huajian Advisory Limited and Huajian Technology Limited (as sellers) entered into a sale and purchase agreement in relation to the acquisition (the **"Acquisition"**) of the entire equity interest in Huajian Development Limited at a total consideration of HK\$213,574,999.94. Completion of the Acquisition took place on 15 January 2026 and an aggregate of 402,971,698 shares (the **"Shares"**) of the Company at an issue price of HK\$0.53 per Share has been allotted and issued to the respective sellers by the Company for settlement of the consideration. For details, please refer to the announcements of the Company dated 6 November 2025 and 15 January 2026 and the circular of the Company dated 17 December 2025.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

## SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group did not have any significant investments.

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECT

According to the “Outline of the 15th Five-Year Plan for National Economic and Social Development”, China will accelerate the modernisation and transformation of traditional industries, including construction, by promoting intelligent, green and integrated development. It will build a modernised infrastructure system while vigorously promoting green buildings, intelligent construction, renewable energy infrastructure, urban renewal and the digital transformation of the construction industry, in order to achieve high quality and sustainable growth. Guangdong Province’s “15th Five-Year Plan” also emphasises technological self-reliance, the optimisation and strengthening of the real economy, and coordinated regional development, supporting innovation in infrastructure and the construction industry. Driven by continued national and provincial policies, demand for construction services is expected to maintain steady growth. The total output value of Guangdong’s construction industry is projected to sustain stable growth in the coming years, driven by investments in energy, infrastructure, green projects, and urban renewal. In view of the above, the Group will leverage its years of professional experience and expertise, focusing on areas such as green buildings, intelligent construction, and full-process engineering solutions, to continuously expand its market share and seize further development opportunities.

Following the completion of the Acquisition, the Group expects to integrate Huajian’s engineering consulting and supervision expertise into the Group’s existing service system. This integration is anticipated to strengthen full-chain engineering capabilities, reduce project risks and costs, improve delivery quality, and enhance the integrated service brand in the market. The Group plans to leverage its nationwide network to expand Huajian’s services beyond the Pearl River Delta and to further enhance Huajian’s capabilities through the Group’s training and resource platforms.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As disclosed in the announcement of the Company dated 10 January 2025, the Company intended to apply net proceeds of approximately HK\$30.0 million (equivalent to approximately RMB27.7 million) from the subscription of Shares under general mandate for potential acquisition in one or multiple construction companies attained with qualifications and licenses related to municipal and public construction works, such as construction design and urban planning, etc., and with a good track record. On 6 November 2025, the Company entered into a sale and purchase agreement to acquire Huajian Development Limited, an investment holding company whose indirect subsidiary is principally engaged in supervision construction management specialising in engineering construction supervision with multiple qualifications in supervision. For details, please see section headed “Material acquisition and disposal” in this interim report. Payments to professional parties related to the Acquisition were funded from the net proceeds of the aforementioned subscription of Shares (with remaining unutilised net proceeds allocated as previously disclosed, see section headed “Use of proceeds from the subscription of new shares under general mandate” for details).

As at the date of this interim report, apart from the Acquisition, the Group has not entered into any letters of intent or legally binding agreements with respect to such acquisition nor had it identified any definite acquisition targets. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Save as disclosed in this interim report, the Group did not have any other immediate plans for material investments and capital assets.

## CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## USE OF PROCEEDS FROM SHARE OFFERING

The Shares were listed on the Main Board of the Stock Exchange on 9 January 2024. The Company intends that the net proceeds (after deducting related underwriting fees and listing expenses) of approximately RMB77.3 million be applied according to the manner and percentage allocation as described under the section headed “Future plans and use of proceeds” in the prospectus of the Company dated 28 December 2023 (the “**Prospectus**”). The following table sets forth the status of the use of the net proceeds as at 30 June 2026:

|                                                                 | Net proceeds<br>to be applied<br>in the<br>percentage<br>allocation<br>stated in the<br>Prospectus<br>RMB million | Utilised net<br>proceeds up<br>to 30 June<br>2026<br>RMB million | Unutilised net<br>proceeds as<br>at 30 June<br>2026<br>RMB million | Expected timeline<br>for utilising the<br>unutilised net<br>proceeds |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------|
| (1) Funding the capital needs and cash flow of certain projects | 35.3                                                                                                              | 35.3                                                             | —                                                                  | N/A                                                                  |
| (2) Acquiring equipment and machinery                           | 31.9                                                                                                              | 1.5                                                              | 30.4                                                               | By 31 December 2027                                                  |
| (3) Hiring additional manpower                                  | 5.4                                                                                                               | 4.3                                                              | 1.1                                                                | By 31 December 2026                                                  |
| (4) Working capital and other general corporate purposes        | 4.7                                                                                                               | 4.7                                                              | —                                                                  | N/A                                                                  |
| Total                                                           | 77.3                                                                                                              | 45.8                                                             | 31.5                                                               |                                                                      |

As at 30 June 2026, approximately RMB1.5 million of the proceeds allocated for equipment and machinery acquisition had been utilised. Due to the challenging conditions in the construction sector, the Group has maintained its strategy to lease equipment and machinery for construction projects and postponed the plan to acquire them outright. This approach provides operational flexibility, lower upfront capital needs and better project alignment. This model is expected to remain primary in the foreseeable future. Given the ongoing leasing approach and reduced need for owned assets, the Group has maintained the expected full utilisation timeline for the remaining proceeds to 31 December 2027.

The board (the “**Board**”) of Directors will regularly review business objectives and may adjust plans as market conditions evolve to support sustainable growth. Any material changes in use of proceeds will be announced in accordance with the Listing Rules.

Unutilised proceeds are held in bank accounts with licensed banks in the PRC.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

On 10 January 2025, the Company entered into six separate subscription agreements with six subscribers in respect of the subscription of an aggregate of 102,960,000 subscription shares at the subscription price of HK\$0.50 per share. The closing price of the Shares on 10 January 2025 (being the date on which the terms of the issue were fixed) was HK\$0.59 per Share. The subscription was completed on 6 February 2025. For further details, please refer to the announcements of the Company dated 10 January 2025, 20 January 2025 and 6 February 2025. The net proceeds (after deducting all applicable costs and expenses) from the subscription were approximately HK\$51.3 million (equivalent to approximately RMB47.2 million). The following table set forth the status of the use of net proceeds as at 30 June 2026:

|                                                     | Net proceeds<br>RMB million | Utilised net<br>proceeds up<br>to 30 June<br>2026<br>RMB million | Unutilised net<br>proceeds as<br>at 30 June<br>2026<br>RMB million | Expected timeline<br>for utilising the<br>unutilised net<br>proceeds |
|-----------------------------------------------------|-----------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------|
| (1) Potential acquisition in construction companies | 27.7                        | 2.0                                                              | 25.7                                                               | By 31 December 2027                                                  |
| (2) General working capital                         | 19.5                        | 19.5                                                             | —                                                                  | N/A                                                                  |
| Total                                               | 47.2                        | 21.5                                                             | 25.7                                                               |                                                                      |

As at 30 June 2026, approximately RMB2.0 million of the proceeds allocated for potential acquisitions in construction companies had been utilised. The Company has not yet identified other suitable acquisition targets that meet the required qualifications, licences and track record (apart from the acquisition of Huajian, which utilised proceeds of approximately RMB2.0 million solely for payments to professional parties related to the acquisition of Huajian). Therefore, the expected timeline for utilising these proceeds has been extended to 31 December 2027, subject to the identification of appropriate targets and market conditions. The Company will make further announcement(s) as and when appropriate in compliance with the Listing Rules upon entering into any binding agreements or when there are material developments.

Unutilised proceeds are held in bank accounts with licensed banks in the PRC.

## INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2026.

## EVENT AFTER THE REPORTING PERIOD

On 26 March 2026, the Company announced a proposed rights issue on the basis of two (2) rights shares for every one (1) existing share held on the record date at a subscription price of HK\$0.15 per rights share (the “**Rights Issue**”), to raise gross proceeds of up to approximately HK\$343.3 million before expenses by way of the issue of up to 2,288,567,396 rights shares. The Rights Issue was completed on 3 July 2026. The gross proceeds raised from the Rights Issue were approximately HK\$343.3 million and the net proceeds (after deducting all relevant expenses) were approximately HK\$341.5 million. For further details, please refer to the announcements of the Company dated 26 March 2026, 17 June 2026 and 2 July 2026 and the prospectus of the Company dated 2 June 2026.

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

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## CORPORATE GOVERNANCE PRACTICES

The Directors believe that good corporate governance must be driven by the tone at the top and must be due diligently executed and monitored in our day-to-day management. The Directors have reviewed the Company's corporate governance practices and are satisfied that the Company has applied the principles and complied with the code provisions as set out in the Corporate Governance Code in Part 2 of Appendix C1 of the Listing Rules during the six months ended 30 June 2026.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the securities transactions of the Directors on terms no less exacting than the required standard set out in the model code in Appendix C3 of the Listing Rules (the **"Model Code"**) as its code of conduct for dealings in securities of the Company by the Directors during the six months ended 30 June 2026.

The Company has made specific enquiries to all the Directors and they confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 30 June 2026. The Company has also adopted the Model Code as the reference of dealings in the Company's securities by the relevant employees who are likely to possess inside information of the Company and/or its securities. The Company is not aware of any incident of non-compliance with the required standard set out in the Model Code by the Directors and employees.

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

As at 30 June 2026, the interest or short positions of the Directors or chief executives in the shares, underlying share or debentures of the Company and the associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code required to be notified to the Company and the Stock Exchange, were as follows:

### Long position in Shares

| Name of Director  | Capacity                           | Number of Shares <sup>(1)</sup> | Approximate percentage of shareholding |
|-------------------|------------------------------------|---------------------------------|----------------------------------------|
| Mr. Sang Xianfeng | Interest of controlled corporation | 284,172,240 (L) <sup>(2)</sup>  | 24.83%                                 |
| Mr. Xian Yurong   | Interest of controlled corporation | 71,040,560 (L) <sup>(3)</sup>   | 6.21%                                  |

Notes:

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

# CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed herein, as at 30 June 2026, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of the associated corporations (within the meaning of the SFO) which required to be notified the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 30 June 2026, so far as is known to our Directors, the following persons (not being a Director or chief executive of our Company) had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO:

| Name of Substantial Shareholders | Capacity                           | Number of Shares <sup>(1)</sup> | Approximate percentage of shareholding |
|----------------------------------|------------------------------------|---------------------------------|----------------------------------------|
| Zhongshen Hengtai                | Beneficial owner                   | 284,172,240 (L)                 | 24.83%                                 |
| Zhongshen Chitai                 | Beneficial owner                   | 71,040,560 (L)                  | 6.21%                                  |
| Ms. Jin Wei                      | Interest of spouse                 | 71,040,560 (L) <sup>(2)</sup>   | 6.21%                                  |
| Huajian Investment Limited       | Beneficial owner                   | 270,502,674 (L)                 | 23.64%                                 |
| Mr. Wang Yan                     | Interest of controlled corporation | 270,502,674 (L) <sup>(3)</sup>  | 23.64%                                 |
| Ms. Wang Shili                   | Interest of spouse                 | 270,502,674 (L) <sup>(4)</sup>  | 23.64%                                 |
| Huajian Advisory Limited         | Beneficial owner                   | 115,929,718 (L)                 | 10.13%                                 |
| Mr. Sang Haifeng                 | Interest of controlled corporation | 115,929,718 (L) <sup>(5)</sup>  | 10.13%                                 |
| Ms. Chen Xiaoli                  | Interest of spouse                 | 115,929,718 (L) <sup>(6)</sup>  | 10.13%                                 |

Notes:

- The letter "L" denotes long position in our Shares.
- Ms. Jin Wei is the spouse of Mr. Xian Yurong. By virtue of the SFO, Ms. Jin Wei is deemed to be interested in all the Shares in which Mr. Xian Yurong is interested.
- These represent the shares held by Huajian Investment Limited, a company wholly-owned by Mr. Wang Yan.
- Ms. Wang Shili is the spouse of Mr. Wang Yan. By virtue of the SFO, Ms. Wang Shili is deemed to be interested in all the Shares in which Mr. Wang Yan is interested.
- These represent the shares held by Huajian Advisory Limited, a company wholly-owned by Mr. Sang Haifeng.
- Ms. Chen Xiaoli is the spouse of Mr. Sang Haifeng. By virtue of the SFO, Ms. Chen Xiaoli is deemed to be interested in all the Shares in which Mr. Sang Haifeng is interested.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed herein, as at 30 June 2026, none of the Directors knows of any person (not being a Director or chief executive of our Company) who had any interest in the shares or underlying shares which fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## COMPETING INTERESTS

None of the Directors or their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by the Group which comprises or is likely to compete, directly or indirectly, with the Group's business during the six months ended 30 June 2026 and up to the date of this interim report.

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

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

## AUDIT COMMITTEE

The primary duties of the audit committee of the Board are to review and supervise the Group's financial reporting process and internal control and risk management systems, and to formulate or review policies relating to anti-bribery compliances by ensuring regular management review of relevant corporate governance measures and its implementation and to communicate with external auditor on the audit strategy. The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 and this interim report.

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

Hong Kong, 28 August 2026

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in RMB thousands unless otherwise stated)

|                                                                                                                   | Note | Six months ended 30 June       |                                |
|-------------------------------------------------------------------------------------------------------------------|------|--------------------------------|--------------------------------|
|                                                                                                                   |      | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| <b>Revenue</b>                                                                                                    | 5    | <b>192,163</b>                 | 201,276                        |
| Cost of revenue                                                                                                   | 6    | <b>(177,053)</b>               | (189,435)                      |
| <b>Gross profit</b>                                                                                               |      | <b>15,110</b>                  | 11,841                         |
| Administrative expenses                                                                                           | 6    | <b>(19,449)</b>                | (19,587)                       |
| Impairment losses on trade and other receivables and contract assets                                              |      | <b>(1,856)</b>                 | (2,908)                        |
| Other losses — net                                                                                                |      | <b>(892)</b>                   | (293)                          |
| <b>Operating loss</b>                                                                                             |      | <b>(7,087)</b>                 | (10,947)                       |
| Finance income                                                                                                    |      | <b>18</b>                      | 67                             |
| Finance costs                                                                                                     |      | <b>(1,314)</b>                 | (1,234)                        |
| Finance costs — net                                                                                               | 7    | <b>(1,296)</b>                 | (1,167)                        |
| <b>Loss before income tax</b>                                                                                     |      | <b>(8,383)</b>                 | (12,114)                       |
| Income tax (expense)/credit                                                                                       | 8    | <b>(1,144)</b>                 | 304                            |
| <b>Loss and total comprehensive loss for the period</b>                                                           |      | <b>(9,527)</b>                 | (11,810)                       |
| <b>Attributable to</b>                                                                                            |      |                                |                                |
| — Owners of the Company                                                                                           |      | <b>(9,570)</b>                 | (11,810)                       |
| — Non-controlling interests                                                                                       |      | <b>43</b>                      | —                              |
| <b>Loss and total comprehensive loss for the period</b>                                                           |      | <b>(9,527)</b>                 | (11,810)                       |
| <b>Loss per share attributable to owners of the Company<br/>for the period (expressed in RMB cents per share)</b> |      |                                |                                |
| — Basic                                                                                                           | 9    | <b>(0.86)</b>                  | (1.98)                         |

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

# UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts expressed in RMB thousands unless otherwise stated)

|                                                                  | Note | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|------------------------------------------------------------------|------|-------------------------------------------|---------------------------------------------|
| <b>ASSETS</b>                                                    |      |                                           |                                             |
| <b>Non-current assets</b>                                        |      |                                           |                                             |
| Property, plant and equipment                                    | 11   | 44,398                                    | 45,329                                      |
| Right-of-use assets                                              |      | 250                                       | 195                                         |
| Goodwill                                                         |      | 107,925                                   | —                                           |
| Intangible assets                                                |      | 17,805                                    | 4,961                                       |
| Financial asset at fair value through other comprehensive income |      | 5,630                                     | 5,630                                       |
| Deferred income tax assets                                       |      | 12,698                                    | 12,433                                      |
|                                                                  |      | 188,706                                   | 68,548                                      |
| <b>Current assets</b>                                            |      |                                           |                                             |
| Inventories                                                      |      | 709                                       | 190                                         |
| Contract assets                                                  | 12   | 997,278                                   | 990,227                                     |
| Financial asset at fair value through profit or loss             |      | —                                         | 5,723                                       |
| Trade receivables                                                | 12   | 204,427                                   | 205,536                                     |
| Deposits, other receivables and prepayments                      | 13   | 286,893                                   | 264,961                                     |
| Amount due from related parties                                  | 13   | 1,786                                     | 916                                         |
| Tax recoverable                                                  |      | 515                                       | 515                                         |
| Restricted bank deposits                                         |      | 9,248                                     | 33,183                                      |
| Cash and cash equivalents                                        |      | 329,557                                   | 58,620                                      |
|                                                                  |      | 1,830,413                                 | 1,559,871                                   |
| <b>Total assets</b>                                              |      | <b>2,019,119</b>                          | <b>1,628,419</b>                            |
| <b>EQUITY</b>                                                    |      |                                           |                                             |
| Share capital                                                    | 14   | 10,358                                    | 6,758                                       |
| Other reserves                                                   | 15   | 733,634                                   | 546,427                                     |
| (Accumulated losses)/retained earnings                           | 15   | (6,923)                                   | 2,647                                       |
| Equity attributable to owners of the Company                     |      | 737,069                                   | 555,832                                     |
| Non-controlling interests                                        |      | 358                                       | —                                           |
| <b>Total equity</b>                                              |      | <b>737,427</b>                            | <b>555,832</b>                              |

# UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts expressed in RMB thousands unless otherwise stated)

|                                     | Note | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------|------|-------------------------------------------|---------------------------------------------|
| <b>LIABILITIES</b>                  |      |                                           |                                             |
| <b>Non-current liabilities</b>      |      |                                           |                                             |
| Lease liabilities                   |      | 48                                        | 46                                          |
| Deferred income tax liabilities     |      | 3,472                                     | —                                           |
|                                     |      | 3,520                                     | 46                                          |
| <b>Current liabilities</b>          |      |                                           |                                             |
| Trade and other payables            | 16   | 918,782                                   | 944,682                                     |
| Amount due to a related party       | 16   | 938                                       | —                                           |
| Contract liabilities                |      | 59,132                                    | 57,910                                      |
| Bank borrowings                     | 17   | 56,850                                    | 69,596                                      |
| Share application monies            | 22   | 229,896                                   | —                                           |
| Current income tax liabilities      |      | 12,363                                    | 198                                         |
| Lease liabilities                   |      | 211                                       | 155                                         |
|                                     |      | 1,278,172                                 | 1,072,541                                   |
| <b>Total liabilities</b>            |      | 1,281,692                                 | 1,072,587                                   |
| <b>Total equity and liabilities</b> |      | 2,019,119                                 | 1,628,419                                   |

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

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts expressed in RMB thousands unless otherwise stated)

|                                                                   | Note  | Attributable to owners of the Company |                                        |                                                                    |                      | Non-controlling interests | Total equity |
|-------------------------------------------------------------------|-------|---------------------------------------|----------------------------------------|--------------------------------------------------------------------|----------------------|---------------------------|--------------|
|                                                                   |       | Share capital<br>(Note 14)<br>RMB'000 | Other reserves<br>(Note 15)<br>RMB'000 | (Accumulated losses)/<br>retained earnings<br>(Note 15)<br>RMB'000 | Sub-total<br>RMB'000 |                           |              |
| <b>As at 1 January 2025 (Audited)</b>                             |       | 4,681                                 | 432,164                                | 39,131                                                             | 475,976              | —                         | 475,976      |
| <b>Total comprehensive loss</b>                                   |       |                                       |                                        |                                                                    |                      |                           |              |
| Loss for the period                                               |       | —                                     | —                                      | (11,810)                                                           | (11,810)             | —                         | (11,810)     |
| <b>Transactions with owners in their capacity as owners</b>       |       |                                       |                                        |                                                                    |                      |                           |              |
| Issue of subscription shares                                      | 14(a) | 951                                   | 46,611                                 | —                                                                  | 47,562               | —                         | 47,562       |
| Expenses incurred in connection with issue of subscription shares |       | —                                     | (325)                                  | —                                                                  | (325)                | —                         | (325)        |
| <b>As at 30 June 2025 (Unaudited)</b>                             |       | 5,632                                 | 478,450                                | 27,321                                                             | 511,403              | —                         | 511,403      |
| <b>As at 1 January 2026 (Audited)</b>                             |       | 6,758                                 | 546,427                                | 2,647                                                              | 555,832              | —                         | 555,832      |
| <b>Total comprehensive loss</b>                                   |       |                                       |                                        |                                                                    |                      |                           |              |
| Loss for the period                                               |       | —                                     | —                                      | (9,570)                                                            | (9,570)              | 43                        | (9,527)      |
| <b>Transactions with owners in their capacity as owners</b>       |       |                                       |                                        |                                                                    |                      |                           |              |
| Issue of consideration shares                                     | 14(c) | 3,600                                 | 187,207                                | —                                                                  | 190,807              | —                         | 190,807      |
| <b>Acquisition of subsidiaries</b>                                | 19    | —                                     | —                                      | —                                                                  | —                    | 315                       | 315          |
| <b>As at 30 June 2026 (Unaudited)</b>                             |       | 10,358                                | 733,634                                | (6,923)                                                            | 737,069              | 358                       | 737,427      |

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

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts expressed in RMB thousands unless otherwise stated)

|                                                                                | Six months ended 30 June       |                                |
|--------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                                | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| <b>Cash flows from operating activities</b>                                    |                                |                                |
| Cash generated from/(used in) operations                                       | 49,913                         | (55,884)                       |
| Income tax paid                                                                | (248)                          | (423)                          |
| <b>Net cash generated from/(used in) operating activities</b>                  | <b>49,665</b>                  | <b>(56,307)</b>                |
| <b>Cash flows from investing activities</b>                                    |                                |                                |
| Interest received                                                              | 18                             | 67                             |
| Purchases of property, plant and equipment                                     | (272)                          | —                              |
| Proceeds from disposal of property, plant and equipment                        | —                              | 218                            |
| Proceeds from disposal of financial asset at fair value through profit or loss | 5,232                          | —                              |
| Net cash inflow from acquisition of subsidiaries                               | 859                            | —                              |
| <b>Net cash generated from investing activities</b>                            | <b>5,837</b>                   | <b>285</b>                     |
| <b>Cash flows from financing activities</b>                                    |                                |                                |
| Interest paid                                                                  | (1,304)                        | (1,241)                        |
| Advance from related parties                                                   | 68                             | —                              |
| Proceeds from bank borrowings                                                  | 56,784                         | 69,535                         |
| Repayment of bank borrowings                                                   | (69,535)                       | (56,295)                       |
| Share application monies received                                              | 229,896                        | —                              |
| Proceeds from issue of shares                                                  | —                              | 47,562                         |
| Expenses incurred in connection with issue of shares                           | —                              | (325)                          |
| Payment of principal elements of lease liabilities                             | (197)                          | (134)                          |
| Payment of interest portion of lease liabilities                               | (5)                            | (5)                            |
| <b>Net cash generated from financing activities</b>                            | <b>215,707</b>                 | <b>59,097</b>                  |
| <b>Net increase in cash and cash equivalents</b>                               | <b>271,209</b>                 | <b>3,075</b>                   |
| Cash and cash equivalents at beginning of period                               | 58,620                         | 96,653                         |
| Exchange differences on cash and cash equivalents                              | (272)                          | (45)                           |
| <b>Cash and cash equivalents at end of period</b>                              | <b>329,557</b>                 | <b>99,683</b>                  |

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 1 GENERAL INFORMATION

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

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

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

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) unless otherwise stated, and have been approved for issue by the board of directors on 28 August 2026.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard 34, “Interim Financial Reporting”. The unaudited condensed consolidated interim financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards. The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2025, as described in those annual consolidated financial statements, except that the Hong Kong Institute of Certified Public Accountants has issued a number of new standards and amendments to HKFRS Accounting Standards which are effective for the current accounting period of the Group. None of those developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 3 ESTIMATES

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

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

In preparing the unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2025.

## 4 FINANCIAL RISK MANAGEMENT

### 4.1 Financial risk factors

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

These unaudited condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

There have been no changes in the Group's risk management policies since the year ended 31 December 2025.

### 4.2 Capital management

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

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

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total borrowings divided by total equity. The gearing ratio was approximately 7.7% as at 30 June 2026 (31 December 2025: 12.5%).

### 4.3 Fair value estimation

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 5 REVENUE AND SEGMENT INFORMATION

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

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

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

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

|                                                             | Six months ended 30 June       |                                |
|-------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                             | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Revenue from provision of construction and related services | 192,163                        | 201,276                        |

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

All revenue was derived from external customers in Chinese Mainland during the six months ended 30 June 2026 and 2025.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 6 EXPENSES BY NATURE

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

|                                                           | Six months ended 30 June       |                                |
|-----------------------------------------------------------|--------------------------------|--------------------------------|
|                                                           | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Raw materials and consumables used                        | 75,820                         | 100,513                        |
| Employee benefit expenses and labour subcontracting costs | 71,318                         | 66,050                         |
| Specialised construction subcontracting costs             | 29,570                         | 26,917                         |
| Equipment and machinery usage costs                       | 6,842                          | 5,262                          |
| Design and testing service costs                          | 1,823                          | 1,141                          |
| Depreciation and amortisation expenses                    | 3,885                          | 2,614                          |
| — Depreciation of property, plant and equipment           | 1,401                          | 1,397                          |
| — Depreciation of right-of-use assets                     | 157                            | 172                            |
| — Amortisation of intangible assets                       | 2,327                          | 1,045                          |
| Bank charges                                              | 291                            | 108                            |
| Insurance expenses                                        | 524                            | 306                            |
| Taxes, surcharge and levies                               | 512                            | 390                            |
| Professional fees                                         | 1,424                          | 1,620                          |
| Travelling and entertainment expenses                     | 783                            | 879                            |
| Other expenses                                            | 3,710                          | 3,222                          |
|                                                           | 196,502                        | 209,022                        |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 7 FINANCE COSTS — NET

|                                         | Six months ended 30 June       |                                |
|-----------------------------------------|--------------------------------|--------------------------------|
|                                         | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Finance income                          |                                |                                |
| — Interest income from bank deposits    | 18                             | 67                             |
| Finance costs                           |                                |                                |
| — Interest expense on factoring         | (318)                          | (290)                          |
| — Interest expense on bank borrowings   | (991)                          | (939)                          |
| — Interest expense on lease liabilities | (5)                            | (5)                            |
|                                         | (1,314)                        | (1,234)                        |
| Finance costs — net                     | (1,296)                        | (1,167)                        |

## 8 INCOME TAX EXPENSE/(CREDIT)

|                             | Six months ended 30 June       |                                |
|-----------------------------|--------------------------------|--------------------------------|
|                             | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Current income tax          | 1,730                          | 423                            |
| Deferred income tax         | (586)                          | (727)                          |
| Income tax expense/(credit) | 1,144                          | (304)                          |

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

### (a) Cayman Islands and BVI Income Tax

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

### (b) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong profits tax during the six months ended 30 June 2026 and 2025.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 8 INCOME TAX EXPENSE/(CREDIT) (Continued)

### (c) PRC Corporate Income Tax

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

### (d) PRC withholding income tax

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

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

## 9 LOSS PER SHARE

### (a) Basic loss per share

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

|                                                         | Six months ended 30 June |                     |
|---------------------------------------------------------|--------------------------|---------------------|
|                                                         | 2026<br>(Unaudited)      | 2025<br>(Unaudited) |
| Loss attributable to owners of the Company (RMB'000)    | (9,570)                  | (11,810)            |
| Weighted average number of ordinary shares in issue     | 1,113,114,616            | 597,281,768         |
| Basic loss per share (expressed in RMB cents per share) | (0.86)                   | (1.98)              |

### (b) Diluted loss per share

Diluted loss per share is equal to basic loss per share as there was no dilutive potential shares outstanding as at 30 June 2026 and 2025.

## 10 DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2026 (30 June 2025: nil).

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group incurred capital expenditures of approximately RMB272,000 (30 June 2025: nil).

## 12 CONTRACT ASSETS AND TRADE RECEIVABLES

### (a) Contract assets

|                                                   | <b>30 June<br/>2026<br/>RMB'000<br/>(Unaudited)</b> | 31 December<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------------------------|-----------------------------------------------------|---------------------------------------------|
| Unbilled revenue (i)                              | <b>887,457</b>                                      | 883,436                                     |
| Retention monies (ii)                             | <b>134,847</b>                                      | 123,277                                     |
|                                                   | <b>1,022,304</b>                                    | 1,006,713                                   |
| Less: provision for impairment of contract assets | <b>(25,026)</b>                                     | (16,486)                                    |
|                                                   | <b>997,278</b>                                      | 990,227                                     |

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

### (b) Trade receivables

|                                                     | <b>30 June<br/>2026<br/>RMB'000<br/>(Unaudited)</b> | 31 December<br>2025<br>RMB'000<br>(Audited) |
|-----------------------------------------------------|-----------------------------------------------------|---------------------------------------------|
| Trade receivables                                   | <b>236,288</b>                                      | 230,820                                     |
| Less: allowance for impairment of trade receivables | <b>(31,861)</b>                                     | (25,284)                                    |
| Trade receivables — net                             | <b>204,427</b>                                      | 205,536                                     |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 12 CONTRACT ASSETS AND TRADE RECEIVABLES (Continued)

### (b) Trade receivables (Continued)

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

|                   | <b>30 June<br/>2026<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2025<br/>RMB'000<br/>(Audited)</b> |
|-------------------|-----------------------------------------------------|-------------------------------------------------------|
| Within 1 year     | <b>88,798</b>                                       | 96,287                                                |
| 1 year to 2 years | <b>69,752</b>                                       | 70,395                                                |
| Over 2 years      | <b>77,738</b>                                       | 64,138                                                |
|                   | <b>236,288</b>                                      | 230,820                                               |

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

|                                                     | <b>30 June<br/>2026<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2025<br/>RMB'000<br/>(Audited)</b> |
|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Prepayments to suppliers                            | <b>250,613</b>                                      | 258,564                                               |
| Deposits (a)                                        | <b>5,375</b>                                        | 4,373                                                 |
| Amounts due from other third parties (b)            | <b>32,956</b>                                       | 4,075                                                 |
| Less: allowance for impairment of other receivables | <b>(2,051)</b>                                      | (2,051)                                               |
|                                                     | <b>286,893</b>                                      | 264,961                                               |
| Amount due from related parties (b) (note 20(b))    | <b>1,786</b>                                        | 916                                                   |
|                                                     | <b>288,679</b>                                      | 265,877                                               |

(a) As at 30 June 2026 and 31 December 2025, the carrying amounts of deposits mainly includes tender deposits and guarantee deposits.

(b) As at 30 June 2026 and 31 December 2025, the amounts due from related parties and amounts due from other third parties were unsecured, interest-free and recoverable on demand.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 14 SHARE CAPITAL

|                                                           | Number of<br>ordinary shares    | Nominal value<br>of ordinary<br>shares<br>HK\$'000 |         |
|-----------------------------------------------------------|---------------------------------|----------------------------------------------------|---------|
| <b>Authorised</b>                                         |                                 |                                                    |         |
| As at 1 January 2025, 31 December 2025 and 1 January 2026 | 2,000,000,000                   | 20,000                                             |         |
| Increase (Note d)                                         | 3,000,000,000                   | 30,000                                             |         |
| As at 30 June 2026                                        | 5,000,000,000                   | 50,000                                             |         |
|                                                           |                                 |                                                    |         |
|                                                           | Number of<br>ordinary<br>shares | Share capital                                      |         |
|                                                           |                                 | HK\$'000                                           | RMB'000 |
| <b>Issued</b>                                             |                                 |                                                    |         |
| As at 1 January 2025                                      | 514,800,000                     | 5,148                                              | 4,681   |
| Issue of subscription shares (Note a and b)               | 226,512,000                     | 2,265                                              | 2,077   |
| As at 31 December 2025                                    | 741,312,000                     | 7,413                                              | 6,758   |
| As at 1 January 2026                                      | 741,312,000                     | 7,413                                              | 6,758   |
| Issue of consideration shares (Note c)                    | 402,971,698                     | 4,030                                              | 3,600   |
| As at 30 June 2026                                        | 1,144,283,698                   | 11,443                                             | 10,358  |

- (a) On 10 January 2025, the Company entered into six separate subscription agreements with six subscribers in respect of the subscription of an aggregate of 102,960,000 subscription shares at a subscription price of HK\$0.50 per share (the “**Subscription 1**”). Gross proceeds from Subscription 1 of HK\$50,450,400 were credited to the share premium account. The Subscription 1 was completed on 6 February 2025.
- (b) On 2 July 2025, the Company entered into six separate subscription agreements with six subscribers in respect of the subscription of an aggregate of 123,552,000 subscription shares at a subscription price of HK\$0.61 per share (the “**Subscription 2**”). Gross proceeds from Subscription 2 of HK\$74,131,200 were credited to the share premium account. The Subscription 2 was completed on 17 July 2025.
- (c) On 15 January 2026, 402,971,698 ordinary shares of the Company were issued at the price of HK\$0.53 per share as the consideration shares for the acquisition of the entire equity interest in Huajian Development Limited. Approximately HK\$209,545,000 was credited to the share premium account.
- (d) On 18 May 2026, at the Company’s extraordinary general meeting, the authorised share capital of the Company was resolved to be increased from HK\$20,000,000 divided into 2,000,000,000 shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 shares of HK\$0.01 each by the creation of an additional 3,000,000,000 new shares of HK\$0.01 each.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 15 OTHER RESERVES AND (ACCUMULATED LOSS)/RETAINED EARNINGS

|                                                                         | Share<br>Premium<br>RMB'000 | Statutory<br>reserves<br>(Note a)<br>RMB'000 | Capital<br>reserves<br>(Note b)<br>RMB'000 | FVOCI<br>reserve<br>RMB'000 | (Accumulated<br>losses)/<br>retained<br>earnings<br>RMB'000 | Total<br>RMB'000 |
|-------------------------------------------------------------------------|-----------------------------|----------------------------------------------|--------------------------------------------|-----------------------------|-------------------------------------------------------------|------------------|
| <b>As at 1 January 2025 (Audited)</b>                                   | 96,936                      | 16,980                                       | 318,248                                    | —                           | 39,131                                                      | 471,295          |
| Loss for the period                                                     | —                           | —                                            | —                                          | —                           | (11,810)                                                    | (11,810)         |
| Issue of subscription shares<br>(Note 14(a))                            | 46,611                      | —                                            | —                                          | —                           | —                                                           | 46,611           |
| Expenses incurred in connection<br>with issue of subscription<br>shares | (325)                       | —                                            | —                                          | —                           | —                                                           | (325)            |
| <b>As at 30 June 2025 (Unaudited)</b>                                   | 143,222                     | 16,980                                       | 318,248                                    | —                           | 27,321                                                      | 505,771          |
| <b>As at 1 January 2026 (Audited)</b>                                   | <b>210,569</b>              | <b>16,980</b>                                | <b>318,248</b>                             | <b>630</b>                  | <b>2,647</b>                                                | <b>549,074</b>   |
| Loss for the period                                                     | —                           | —                                            | —                                          | —                           | (9,570)                                                     | (9,570)          |
| Issue of consideration shares<br>(Note 14(c))                           | 187,207                     | —                                            | —                                          | —                           | —                                                           | 187,207          |
| <b>As at 30 June 2026 (Unaudited)</b>                                   | <b>397,776</b>              | <b>16,980</b>                                | <b>318,248</b>                             | <b>630</b>                  | <b>(6,923)</b>                                              | <b>726,711</b>   |

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 16 TRADE AND OTHER PAYABLES AND AMOUNT DUE TO A RELATED PARTY

|                                            | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------|-------------------------------------------|---------------------------------------------|
| Trade payables (a)                         | 888,223                                   | 906,369                                     |
| Other payables and accruals (b)            | 30,559                                    | 38,313                                      |
|                                            | 918,782                                   | 944,682                                     |
| Amount due to a related party (Note 20(b)) | 938                                       | —                                           |
|                                            | 919,720                                   | 944,682                                     |

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

|                   | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|-------------------|-------------------------------------------|---------------------------------------------|
| Within 1 year     | 102,162                                   | 122,515                                     |
| 1 year to 2 years | 207,978                                   | 216,608                                     |
| Over 2 years      | 578,083                                   | 567,246                                     |
|                   | 888,223                                   | 906,369                                     |

(b) Other payables and accruals

|                                                | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|------------------------------------------------|-------------------------------------------|---------------------------------------------|
| Accrued taxes and surcharges                   | 10,572                                    | 10,857                                      |
| Employee benefits accruals                     | 8,422                                     | 6,091                                       |
| Advance from a customer (i)                    | 3,000                                     | 3,000                                       |
| Other operating expenses payables and accruals | 8,565                                     | 18,365                                      |
|                                                | 30,559                                    | 38,313                                      |

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 17 BANK BORROWINGS

|                         | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|-------------------------|-------------------------------------------|---------------------------------------------|
| Current bank borrowings | 56,850                                    | 69,596                                      |

- (i) As at 30 June 2026 and 31 December 2025, all of the Group's bank borrowings were payable within one year, carried fixed interest rates and were denominated in RMB.
- (ii) As at 30 June 2026, bank borrowings of approximately RMB50,000,000 (31 December 2025: RMB40,000,000) were guaranteed by Mr. Sang Xianfeng ("**Mr. Sang**"), Mr. Xian Yurong ("**Mr. Xian**") and a relative of Mr. Sang (Note 20(d)) and secured by pledges over the Group's land and building with a net carrying amount of approximately RMB41,491,000 as at 30 June 2026 (31 December 2025: RMB42,548,000).
- (iii) As at 30 June 2026, the Group's bank borrowings are with effective interest rates ranging from 2.7% to 3% (31 December 2025: 2.7% to 3%).

## 18 COMMITMENTS

The Group did not have any significant capital commitment as at 30 June 2026 and 31 December 2025.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 19 ACQUISITION OF SUBSIDIARIES

On 15 January 2026, the Company acquired 100% of the issued shares in Huajian Development Limited, which its subsidiaries are principally engaged in the provision of comprehensive engineering consulting services, for a consideration of approximately HK\$213,575,000 (equivalent to approximately RMB190,807,000), which was satisfied by the allotment and issuance of 402,971,698 consideration shares at the price of HK\$0.53 per share which is also the market price at the date of allotment. The acquisition is expected to increase the Group's market share and create cost synergies.

The fair values of the assets and liabilities of Huajian Development Limited and its subsidiaries as at the date of acquisition are as follows:

|                                             | Fair value<br>RMB'000 |
|---------------------------------------------|-----------------------|
| Property, plant and equipment               | 198                   |
| Right-of-use assets                         | 133                   |
| Intangible assets                           | 15,171                |
| Contract assets                             | 52,024                |
| Trade receivables                           | 2,859                 |
| Deposits, other receivables and prepayments | 33,475                |
| Amounts due from related parties            | 9                     |
| Cash and cash equivalents                   | 859                   |
| Trade and other payables                    | (3,887)               |
| Amount due to a related party               | (77)                  |
| Contract liabilities                        | (2,915)               |
| Current income tax liabilities              | (10,683)              |
| Lease liabilities                           | (176)                 |
| Deferred income tax liabilities             | (3,793)               |
| Net identifiable assets acquired            | 83,197                |
| Less: non-controlling interests             | (315)                 |
| Add: goodwill                               | 107,925               |
| Total consideration                         | 190,807               |

The goodwill is attributable to Huajian Development Limited and its subsidiaries' strong positions and profitability in project supervision expected to arise after the Company's acquisition of the new subsidiary. None of the goodwill is expected to be deductible for tax purposes.

Acquisition-related costs of approximately RMB300,000 were included in administrative expenses in profit or loss in the reporting period ended 30 June 2026.

Since its acquisition on 15 January 2026, Huajian Development Limited and its subsidiaries contributed revenue of approximately RMB13,056,000 and net profit of approximately RMB4,317,000 to the Group's consolidated results. Had the acquisition occurred on 1 January 2026, the Group's consolidated revenue and net loss for the six months ended 30 June 2026 would have been approximately RMB192,163,000 and RMB9,527,000 respectively.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 20 RELATED PARTY TRANSACTIONS

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

### (a) Name and relationship with related parties

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

| Name     | Relationship                                        |
|----------|-----------------------------------------------------|
| Mr. Sang | Director and substantial shareholder of the Company |
| Mr. Xian | Director and substantial shareholder of the Company |

### (b) Balances with related parties

Non-trade in nature:

|                                            | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------|-------------------------------------------|---------------------------------------------|
| Amounts due from related parties (Note 13) |                                           |                                             |
| — Mr. Sang                                 | 1,786                                     | 768                                         |
| — Mr. Xian                                 | —                                         | 148                                         |
|                                            | 1,786                                     | 916                                         |
| Amount due to a related party (Note 16)    |                                           |                                             |
| — Mr. Xian                                 | 938                                       | —                                           |

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

## 20 RELATED PARTY TRANSACTIONS (Continued)

### (c) Key management compensation

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

The compensation paid or payable to the key management during the six months ended 30 June 2026 and 2025, are shown as below.

|                                            | Six months ended 30 June       |                                |
|--------------------------------------------|--------------------------------|--------------------------------|
|                                            | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Wages, salaries and bonuses                | 756                            | 1,006                          |
| Pension costs — defined contribution plans | 57                             | 67                             |
|                                            | 813                            | 1,073                          |

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

|                                                               | 30 June<br>2026<br>RMB'000<br>(Unaudited) | 31 December<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------------------------------------|-------------------------------------------|---------------------------------------------|
| Guarantees<br>— Mr. Sang, Mr. Xian and a relative of Mr. Sang | 50,000                                    | 40,000                                      |

## 21 CONTINGENCIES

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

## 22 EVENT AFTER THE REPORTING PERIOD

On 26 March 2026, the Company announced a proposed rights issue on the basis of two (2) rights shares for every one (1) existing share held on the record date at a subscription price of HK\$0.15 per rights share (the “Rights Issue”), to raise gross proceeds of up to approximately HK\$343,285,000 before expenses by way of the issue of up to 2,288,567,396 rights shares. The Rights Issue was completed on 3 July 2026. The gross proceeds raised from the Rights Issue were approximately HK\$343,285,000 and the net proceeds (after deducting all relevant expenses) were approximately HK\$341,500,000.

As at 30 June 2026, the share application monies of approximately HK\$264,455,000 (equivalent to approximately RMB229,896,000), representing approximately 77.04% of the total number of rights shares offered under the Rights Issue, were held by the Company and recognised as current liabilities. These application monies were reclassified to equity upon the issue and allotment of the rights shares on 3 July 2026.