



巨匠建设

JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

(A joint stock limited company established in the People's Republic of China)
(Stock Code: 1459)

INTERIM **2026** REPORT



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Lyu Yaoneng (Chairman)
Mr. Lyu Dazhong
Mr. Li Jinyan
Mr. Lu Zhicheng
Mr. Shen Haiquan
Mr. Zheng Gang

Independent Non-Executive Directors

Ms. Lam Fei Sui
Mr. Wang Xinglong
Mr. Ma Tao

SUPERVISORS

Mr. Zou Jiangtao
Mr. Chen Xiangjiang
Mr. Lyu Xingliang
Mr. Zhu Jialian

AUDIT COMMITTEE

Ms. Lam Fei Sui (Chairlady)
Mr. Wang Xinglong
Mr. Ma Tao

NOMINATION COMMITTEE

Mr. Ma Tao (Chairman)
Mr. Lyu Yaoneng
Ms. Lam Fei Sui

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Wang Xinglong (Chairman)
Mr. Lyu Yaoneng
Mr. Ma Tao

STRATEGIC COMMITTEE

Mr. Lyu Yaoneng (Chairman)
Mr. Zheng Gang
Mr. Ma Tao

COMPANY SECRETARY

Mr. Jin Shuigen

AUTHORISED REPRESENTATIVES

Mr. Lyu Yaoneng
Mr. Jin Shuigen

LEGAL ADVISER

As to Hong Kong Law
DeHeng Law Offices (Hong Kong) LLP

As to PRC Law
AllBright Law Offices

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
under the Accounting and Financial Reporting
Council Ordinance

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
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Hong Kong

PRINCIPAL BANKERS

China Construction Bank Corporation
Tongxiang Branch
Industrial and Commercial Bank of China
Limited Tongxiang Branch
Industrial Bank Co., Ltd Jiaxing Branch
Bank of Communications Co., Ltd Tongxiang
Branch
China Merchants Bank Co., Ltd Jiaxing
Tongxiang Branch

REGISTERED ADDRESS

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Tongxiang City
Zhejiang Province
PRC

CORPORATE INFORMATION

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN PRC

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Tongxiang City
Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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5 Queen's Road Central
Hong Kong

STOCK CODE

1459

WEBSITE

www.jujiang.cn

FINANCIAL SUMMARY

	For the six months ended 30 June		
	2026	2025	Change
	(Unaudited)	(Unaudited) (Restated)	
	RMB'000	RMB'000	%
Revenue	2,559,130	2,321,201	10.3
Gross profit	81,928	84,587	(3.1)
Gross profit margin	3.20%	3.64%	(0.44) ppt
(Loss)/profit for the period	(8,767)	4,307	(303.6)
Net profit margin	(0.34)%	0.18%	(0.52) ppt
Basic and diluted earnings per share (RMB)	(0.02)	0.00	

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Established in 1965, Jujiang Construction Group Co., Ltd. ("**Jujiang Construction**" or the "**Company**", together with its subsidiaries, the "**Group**") is one of the earliest construction companies in Jiaying. With over six decades of experience in the industry and proven track record, the Company has grown into one of the leading construction group companies in Jiaying.

The Company successfully obtained the Premium Class Certificate for General Building Construction Contracting Work (the "**Premium Class Certificate**") and the Grade A Engineering Design (Construction Industry) Certificate (the "**Engineering Design Certificate**") on 28 January 2015 after undergoing a stringent review process. The Premium Class Certificate is the highest qualification awarded to building construction general contractors satisfying the high standards in relation to project management track record, technological innovation and scale of operations. The Engineering Design Certificate is awarded to those who meet high standards in relation to personnel qualifications, management capabilities and internal control. As the holder of these two key certificates as well as other certificates, the Group is able to provide fully-integrated construction solutions, which consist of construction contracting and design, survey and consultancy services for building construction projects of all types and scales nationwide.

MARKET REVIEW

In the first half of 2026, the Chinese economy demonstrated resilience against the backdrop of a complex and volatile external environment and ongoing deepening of domestic structural adjustments. According to preliminary estimates by the National Bureau of Statistics, gross domestic product reached approximately RMB69.57 trillion, representing a year-on-year increase of 4.7% at constant prices, of which added value of the secondary industry grew by 3.9% year on year. Added value of the construction industry amounted to approximately RMB3.60 trillion, representing a year-on-year decrease of 4.0%, reflecting that industry demand and construction activities remain under pressure.

Divergence continued on the investment front. In the first half of 2026, national fixed asset investment (excluding rural households) amounted to approximately RMB22.64 trillion, representing a year-on-year decrease of 5.7%; infrastructure investment dropped by 2.4% year on year, and investment in construction and installation engineering fell by 8.0% year on year. During the same period, the real estate market remained in a phase of profound adjustment: national real estate development investment stood at approximately RMB3.81 trillion, representing a year-on-year decrease of 18.0%; the floor area of properties under construction by property developers was approximately 5.54 billion sq.m., down 12.5% year on year, and new housing construction area declined by 23.4% year on year.

Further recovery in demand and capital flows was still pending. In the first half of 2026, the sales area of newly built commercial properties nationwide was approximately 401 million sq.m., down 11.6% year on year; the sales of newly built commercial properties reached approximately RMB3.79 trillion, representing a year-on-year decrease of 13.6%; and funds in place for real estate development enterprises amounted to approximately RMB4.02 trillion, representing a year-on-year decrease of 20.2%. Under the combined influence of shrinking real estate development investment, extended project collection cycles, and intensifying market competition, construction enterprises must place greater emphasis on customer credit, project cash flows, cost control and risk pricing.

MANAGEMENT DISCUSSION AND ANALYSIS

Policies and industrial transformation have created structural opportunities for the sector. The 2026 Government Work Report proposed sustained efforts to stabilise the property market and promote high-quality urban renewal. The national work plan for housing and urban-rural development also identified smart construction, green building, modernised construction industrial chains, new building materials, and the integration of artificial intelligence with the housing and urban-rural development as key priorities. As urban development gradually shifts from incremental expansion to quality and efficiency enhancement of existing inventory, it is expected that urban renewal, public buildings, industrial parks, infrastructure safety upgrades, and digital-intelligent construction services are to become new sources of demand. However, the overall recovery of the sector remains contingent upon property market stabilisation, effective investment implementation, and improvement in financial situation across the industrial chain.

BUSINESS REVIEW

During the first half of 2026, in the face of diminishing industry demand and intensifying competition, the Group adhered to the principle of seeking progress while maintaining stability. We have enhanced our operational quality by focusing on business development, project management, cost efficiency, technological innovation and risk prevention and control. The Group's revenue increased by approximately 10.3% from approximately RMB2,321.2 million for the six months ended 30 June 2025 to approximately RMB2,559.1 million for the six months ended 30 June 2026. However, the Group recorded net loss of approximately RMB8.8 million for the six months ended 30 June 2026 as compared with net profit of approximately RMB4.3 million for the six months ended 30 June 2025. The value of backlog decreased by approximately 7.4% to approximately RMB15,342.5 million as of 30 June 2026 from that of approximately RMB16,575.9 million as of 30 June 2025.

The following table sets forth the movement of backlog of the construction projects during the periods:

	For the six months ended 30 June	
	2026 RMB' million	2025 RMB' million
Opening value of backlog	16,151.4	16,683.8
Net value of new projects ⁽¹⁾	1,729.0	2,185.1
Revenue recognised ⁽²⁾	(2,537.9)	(2,293.0)
Closing value of backlog ⁽³⁾	15,342.5	16,575.9

Notes:

- (1) Net value of new projects means the total contract value of new construction contracting projects awarded to the Group during the relevant period indicated.
- (2) Revenue recognised means the revenue that has been recognised from construction contracting projects during the relevant period indicated.
- (3) Closing value of backlog means the total contract value for the remaining work of construction projects before the percentage of completion of such projects reached 100% as at the end of the relevant period indicated.

MANAGEMENT DISCUSSION AND ANALYSIS

Focusing on High-Quality Projects and Optimising Market Layout

In the first half of 2026, the Group continued to enhance its development quality, strengthen its comprehensive capabilities, and advance its overall high-quality and sustainable development, achieving a net value of approximately RMB1,729.0 million in newly contracted projects.

During the period, the Group secured six projects each with a contract value exceeding RMB100 million, including two with a contract value of more than RMB300 million. Facing a downsizing market for new contracts, the Group continued to strengthen information screening, credit assessment, pre-tendering estimation, and end-to-end tender management, giving priority to projects with controllable risks, clear payment collection terms, and reasonable levels of return.

In terms of project types, industrial projects, public construction projects, and commercial and residential projects accounted for approximately 29%, 35%, and 36% of the total value of newly signed contracts respectively, demonstrating a more balanced business structure compared to the corresponding period of last year. In terms of regional distribution, newly signed contracts from locality of Jiaxing accounted for approximately 53%, of which Tongxiang City accounted for approximately 49%, Yiwu accounted for approximately 43%, and new business outside Zhejiang Province accounted for approximately 4%. While consolidating its core markets in Tongxiang and Yiwu, the Group continued to prudently expand into high-quality markets both within and outside the province.

The general contracting business for construction has also driven synergistic development of specialised engineering services. During the period, specialised subsidiaries achieved new contract awards approaching RMB250 million, of which the municipal engineering company contributed approximately RMB176 million, accounting for approximately 10% of the total value of newly signed construction contracts. The Group will further strengthen the synergy between general contracting and its specialised capabilities in municipal engineering, equipment installation, and other specialised fields, thereby enhancing its comprehensive service capabilities and customer loyalty.

During the period, iconic newly awarded projects of the Group included: the General Contracting Project for Section II of the Pan-Semiconductor Industrial Park (泛半導體產業園二標段總承包項目) awarded to Yiwu Construction Investment Jujiang Construction Co., Ltd. with a value exceeding RMB226 million; and the General Contracting Project for Plot 1 on the West Side of Fugang Avenue, Shuangjianghu Block II, Choujiang Subdistrict, New Community (新社區集聚稠江街道雙江湖區塊二富港大道西側項目地塊一總承包項目), with a value exceeding RMB500 million. The Group also achieved gratifying performance in public tendering, winning the tender for the Tongxiang Ecological Wetland Construction and Sewage Pipe Network Upgrade Engineering Project (桐鄉市生態濕地建設及污水管網提升工程) with a worth of RMB168 million, as well as Part (I) of the Tongxiang Phoenix Lake Smart Innovation Base Project (桐鄉市鳳凰湖智創基地項目 (一) 部分) and the Zhejiang Hengyong New Material Co., Ltd. (Phase I) Project (浙江恒湧新材料有限公司 (一期) 項目), among others.

MANAGEMENT DISCUSSION AND ANALYSIS

Strengthening Project Management and Control and Consolidating Quality and Safety

The Group strengthened schedule management and control as well as resource coordination around its annual production targets, focusing on key milestones to dynamically analyse construction progress and tackle major and difficult projects. In the first half of the year, a total of 53 key milestones were established, with 41 completed as scheduled, achieving a milestone completion rate of approximately 77%. 11 projects were completed during the period. The Group will continue to improve its progress alert function, variance analysis, and corrective mechanisms so as to enhance its ability to fulfil contractual obligations.

In terms of production safety management, the Group continued to enhance routine and meticulous management at construction sites, focusing on closed-loop supervision throughout the entire process of critical and hazardous engineering works, such as deep foundation pits and high formwork support systems. During the period, a total of 130 inspection reports were issued, and 803 construction hazards of various types were identified and investigated, achieving a closed-loop hazard rectification rate of approximately 90.77%. In addition, the Group was awarded 5 provincial-level standardised construction sites.

In terms of engineering quality and technical services, the Group continued to refine its quality control system by specifying the processes for construction scheme planning as well as tiered technical and process briefings. During the period, the Group received one provincial-level “Installation Cup” for High-Quality Engineering Works, and completed the acceptance of two “Nanhu Cup” projects and one “Fengming Cup” project. In the first half of the year, 19 construction organisation designs and eight construction planning schemes were audited and approved, while the preparation and briefing of four project management schemes were completed. Additionally, 129 special construction schemes for critical and hazardous engineering works were audited, among which 16 passed expert review, with a scheme coverage rate of 100%.

Deepening Digital-Intelligent Construction to Drive Innovation

The Group continued to strengthen the operation, maintenance, and evaluation of its provincial-level enterprise technology centre, while deepening industry-academia-research collaboration and leveraging innovation platforms such as its postdoctoral research workstation. In the first half of 2026, the Group filed two provincial-level work method applications, had six national patent applications accepted, obtained two provincial-level quality control (QC) achievements, and served as the lead (participating) editor in the formulation of one group standard. It also initiated three municipal-level scientific research projects. The relocation project of Tongxiang Chinese Medicine Hospital (桐鄉市中醫院) was recognised as a municipal-level green construction project and a provincial-level demonstration project for new technologies application.

In terms of digital and intelligent applications, the Group continued to advance the adoption of BIM technology, smart construction sites and external digital services. During the period, it completed the overall architecture and implementation plan for its Smart Construction Site 3.0 programme, and developed prototypes for key modules covering the real-name workforce management system, AI-powered intelligent video surveillance, construction environment

MANAGEMENT DISCUSSION AND ANALYSIS

monitoring and intelligent tower crane safety monitoring. The modules are scheduled to be rolled out progressively from the third quarter of 2026 onward. Actual progress of these research, development and deployment initiatives is subject to testing outcomes, market demand and the availability of resources.

During the period, the Group's brand strength and achievements in digital-intelligent construction also received various external recognitions. The Group was honoured as a 2025 Zhejiang Province Advanced Construction Enterprise (2025年度浙江省建築業先進企業), among other accolades. The Tongxiang Feng Zikai Art Centre (Phase I) Project (桐鄉市豐子愷藝術中心(一期)項目) was awarded Second Prize in the Building Construction Category (Comprehensive) of the 2025 Zhejiang Province BIM Technology Innovation and Application Competition (2025年浙江省BIM技術創新應用大賽房建綜合組二等獎), while Section II of the Houmaodian Cluster Resettlement Project in Houzhai Subdistrict (後宅街道後毛店區塊集聚安置項目) was selected into the 2025 Gold and Excellent Application Achievements for Smart Construction Sites in Zhejiang Province (2025年度浙江省智慧工地金牌應用成果及優秀應用成果). These achievements reflect the industry's continued recognition of the Group's capabilities in technology application, smart construction site development and project management.

In terms of enterprise digitalisation, the Group integrated its production management processes and operational data records, completed functional enhancements to both the desktop and mobile versions of its production inspection system, and advanced coordinated data inspection, closed-loop rectification management and the automated consolidation of operational data. At the same time, the Group re-engineered its digital management system for project progress and output value, while continuing to develop an integrated enterprise- and project-level data platform to enhance operational efficiency, process transparency and the standardisation of management practices.

Enhancing Capital Efficiency and Reinforcing Risk Resilience

The Group continued to strengthen its capital coordination and cash flow management, with a focus on collection of contract payments, maintaining a balanced inflow and outflow position, and enhancing efficiency of capital utilisation. During the first half of the year, actual collection rate of contract payments was approximately 96%, while receipts-to-payments ratio was approximately 92.07%. The Group also continued to promote revitalisation of existing assets and classified disposal of properties used to offset construction costs, striving to improve cash turnover and asset utilisation efficiency.

On risk management, the Group accelerated the resolution of litigation matters and legacy issues, while strengthening contract review, supplier management, early project risk identification and monitoring of key risk matters. During the period, the number of newly filed lawsuits against the Group and the corresponding amounts in dispute decreased by approximately 22.6% and 21.3% year on year, respectively, reflecting an improvement in overall risk profile. The Group will continue to advance its risk management framework by shifting its focus from reactive remedial measures to proactive risk identification and in-process control.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2026, the construction contracting business contributed approximately 98.6% of the revenue (for the six months ended 30 June 2025: approximately 98.2%). The following table sets forth a breakdown of our revenue by business and project type for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB' million (Unaudited)	%	RMB' million (Unaudited)	%
CONTINUING OPERATIONS				
Construction contracting business				
Residential	461.7	17.9	809.6	34.7
Commercial	740.9	28.8	453.9	19.4
Industrial	925.2	36.0	693.3	29.7
Public works	410.1	15.9	336.2	14.4
	2,537.9	98.6	2,293.0	98.2
Other business				
Design, survey and consultancy	7.0	0.3	12.8	0.5
Sale of construction materials and civil defense products	14.2	0.6	15.4	0.7
	21.2	0.9	28.2	1.2
Revenue from continuing operations	2,559.1	99.5	2,321.2	99.4
DISCONTINUED OPERATION				
Design, survey and consultancy	14.0	0.5	14.1	0.6
Total revenue	2,573.1	100.0	2,335.3	100.0

FINANCIAL REVIEW

Revenue and gross profit margin

Revenue increased by approximately 10.3% from approximately RMB2,321.2 million for the six months ended 30 June 2025 to approximately RMB2,559.1 million for the six months ended 30 June 2026, primarily attributed to an increase in the construction contracting business amounting to approximately RMB244.9 million for the six months ended 30 June 2026. The

MANAGEMENT DISCUSSION AND ANALYSIS

increase in construction contracting business was primarily due to the efforts contributed by the management team to explore new projects even though the property markets remained weak during the six months ended 30 June 2026. The revenue from commercial, industrial and public works construction contracting business for the six months ended 30 June 2026 were increased by approximately RMB287.0 million, approximately RMB232.0 million and approximately RMB73.8 million, respectively, which partially offset by a decrease of revenue from residential construction contracting business of approximately RMB347.9 million for the six months ended 30 June 2026, as compared with the corresponding period last year. The Group increased its resources and focused in high value projects with good credit customers to mitigate its business risks.

Gross profit decreased by approximately 3.1% from approximately RMB84.6 million for the six months ended 30 June 2025 to approximately RMB81.9 million for the six months ended 30 June 2026, primarily due to the gross profit from other business decreased significantly by approximately RMB11.2 million to a gross loss of approximately RMB0.2 million, such decrease was offset by an increase in gross profit from construction contracting business. The gross profit margin decreased from approximately 3.64% for the six months ended 30 June 2025 to approximately 3.20% for the six months ended 30 June 2026, which was mainly due to a decrease in revenue from others business as its costs were increased. The gross profit margin of the construction contracting business remained stable at approximately 3.21% and 3.24% for the six months ended 30 June 2025 and 2026, respectively.

Other income and gains

Other income and gains increased by approximately 2.2 times from approximately RMB7.5 million for the six months ended 30 June 2025 to approximately RMB24.3 million for the six months ended 30 June 2026, primarily attributable to the Group recording a gain on disposal of a subsidiary of approximately RMB23.3 million for the six months ended 30 June 2026 compared with the absence of such gains for the six months ended 30 June 2025. Such increase was offset by a decrease in gains on financial assets at fair value through profit or loss related to bills receivable from approximately RMB4.6 million for the six months ended 30 June 2025 to approximately RMB0.2 million for the six months ended 30 June 2026 due to the Group accepted fewer bills receivable for the settlement.

Administrative expenses

The administrative expenses decreased by approximately 5.1% from approximately RMB64.4 million for the six months ended 30 June 2025 to approximately RMB61.0 million for the six months ended 30 June 2026, which was primarily due to a decrease in amortisation and depreciation expenses of approximately RMB1.3 million and a decrease in bank charge of approximately RMB1.1 million as a result of the Group reduced to accept the bills receivable for the settlement of accounts receivable for the six months ended 30 June 2026 as compared with the corresponding period in last year.

Impairment losses on financial and contract assets, net

Impairment losses on financial and contract assets, net, including trade receivables and other receivables, increased substantially by approximately 2.1 times from approximately RMB12.0 million for the six months ended 30 June 2025 to approximately RMB36.6 million for the six months ended 30 June 2026, as the property markets remained weak and repayment of long-outstanding accounts receivable were slower than expected.

MANAGEMENT DISCUSSION AND ANALYSIS

Other expenses

Other expenses remained stable at approximately RMB3.4 million and approximately RMB3.0 million for the six months ended 30 June 2025 and 2026, respectively.

Finance costs

Finance costs decreased by approximately 4.4% from approximately RMB10.8 million for the six months ended 30 June 2025 to approximately RMB10.3 million for the six months ended 30 June 2026. Such decrease was primarily due to a decrease in average interest rates throughout the six months ended 30 June 2026.

Income tax expense

Income tax expense increased by approximately 8.6 times from approximately RMB1.0 million for the six months ended 30 June 2025 to approximately RMB9.2 million for the six months ended 30 June 2026, which was primarily attributable to an increase in unrecognized deductible temporary tax difference of approximately RMB11.0 million in relation to impairment losses on financial and contract assets, net for the six months ended 30 June 2026 as absent of such difference in last year, which partially offset by an increase in additional tax concession on research and development costs by approximately RMB2.2 million for the six months ended 30 June 2026 as compared with the corresponding period in last year. The effective tax rate also increased from approximately 33.9% for the six months ended 30 June 2025 to approximately 497.1% for the six months ended 30 June 2026.

Profit for the period from a discontinued operation

Profit for the period from a discontinued operation increased by approximately 41.2% from approximately RMB3.7 million for the six months ended 30 June 2025 to approximately RMB5.2 million for the six months ended 30 June 2026. The discontinued operation represents the business of a quality education practice base for youth, in which the Group disposed of its 80% equity interest on 30 June 2026.

(Loss)/Profit for the period

As a result of the foregoing, the Group recorded a net loss of approximately RMB8.8 million for the six months ended 30 June 2026 as compared with a net profit of approximately RMB4.3 million for the six months ended 30 June 2025. Net profit margin changed from approximately 0.18% for the six months ended 30 June 2025 to approximately -0.34% for the six months ended 30 June 2026.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The working capital for the Group's operations is primarily funded by cash generated from operating activities and interest-bearing bank and other borrowings. As at 30 June 2026 and 31 December 2025, the Group had cash and cash equivalents of approximately RMB287.5 million and approximately RMB283.8 million, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Treasury policies

The Group monitors the cash flows and cash balance on a regular basis and seeks to maintain an optimal level of liquidity to meet the working capital needs while supporting a healthy level of business and its various growth strategies. In the future, the Group intends to finance its operations through cash generated from operating activities and interest-bearing bank and other borrowings. Other than normal bank borrowings that the Group obtains from commercial banks and potential debt financing plans, the Group does not expect any material external debt financing plan in the near future.

Contract assets

The contract assets decreased by approximately 8.4% from approximately RMB2,517.9 million as at 31 December 2025 to approximately RMB2,305.6 million as at 30 June 2026, representing 49.0% and 46.4% of the total current assets as at the end of the corresponding periods. The decrease in absolute amounts of contract assets was primarily attributable to the Group issued the invoices to client for the billings as the construction works have reached the milestones.

Trade and bills receivables

Trade and bills receivables increased by approximately 5.3% from approximately RMB1,758.1 million as at 31 December 2025 to approximately RMB1,850.6 million as at 30 June 2026. Such increase was primarily attributable to an increase in the number of invoices for billings issued by the Group. The trade and bills receivables turnover days decreased from approximately 165 days as at 31 December 2025 to approximately 126 days as at 30 June 2026.

Trade and bills payables

Trade and bills payables decreased by approximately 5.3% from approximately RMB2,531.0 million as at 31 December 2025 to approximately RMB2,397.1 million as at 30 June 2026. Such decrease was due to the timely settlement of newly issued invoices during the period, the Company made payment to the suppliers on time. The trade and bills payables turnover days decrease from approximately 202 days as at 31 December 2025 to approximately 179 days as at 30 June 2026.

Borrowings and charge on assets

As at 30 June 2026, the Group relied on short-term and long-term interest-bearing borrowings in the aggregate amount of approximately RMB443.1 million (31 December 2025: approximately RMB547.5 million). The short-term interest-bearing borrowings amounting to approximately RMB438.8 million (31 December 2025: approximately RMB456.7 million) are repayable within 1 year and carried effective interest rate with a range from 2.50% to 4.90% per annum (31 December 2025: 3.10% to 5.30% per annum). As at 30 June 2026, the long-term interest bearing borrowings amounting to approximately RMB4.2 million (31 December 2025: RMB90.7 million) are repayable from 2027 to 2032 (31 December 2025: 2026 to 2032) and the interest rate is at 4.90% (31 December 2025: 4.41% to 4.90%).

As at 30 June 2026, certain general banking facilities were secured by buildings with a carrying value of approximately RMB126.0 million (31 December 2025: RMB128.5 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Gearing ratio

The gearing ratio decreased from 8.7% as at 31 December 2025 to approximately 3.8% as at 30 June 2026. The decrease was mainly attributable to a decrease in interest-bearing bank and other loans as at 30 June 2026.

Gearing ratio represents net debt divided by total equity as at the end of a year/period. Net debt is defined as all borrowings deducted by cash and bank balances and pledged deposits.

Capital expenditure

For the six months ended 30 June 2026, the capital expenditures were approximately RMB4.4 million (six months ended 30 June 2025: approximately RMB3.8 million). The capital expenditure incurred for the six months ended 30 June 2026 was primarily related to renovation works in office buildings and the construction works in relation to the other intangible assets.

Capital commitments

As at 30 June 2026, the Group did not have any significant capital commitments (31 December 2025: nil).

Contingent liabilities

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: nil).

Fluctuation of RMB exchange rate and foreign exchange risks

The majority of the Group's business and all bank borrowings are denominated and accounted for in RMB. The majority of the Group's cash and cash equivalents are denominated in RMB. Therefore, the Group does not have significant exposure to foreign exchange fluctuation. The Board does not expect the fluctuation of RMB exchange rate and other foreign exchange fluctuations will have material impact on the business operations or financial results of the Group. The Group currently has no hedging policy with respect to the foreign exchange risks, therefore, the Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

On 30 June 2026, the Company and Purchaser entered into the equity transfer agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the 80% of the equity interest in the Education Practice Base, at the consideration of approximately RMB66.3 million (equivalent to approximately HK\$76.3 million). The principal activities of the Education Practice Base is to operate and manage the quality education practice base for youth situated in Haihua Village, Tongxiang City, Zhejiang Province, the PRC. For details of the transaction, please refer to the Company's announcement dated 30 June 2026.

Save as disclosed, the Group had no significant investments held, material acquisitions and disposals during the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments and capital assets as at 30 June 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 781 employees, of which 388 were based in Jiaxing City, and 393 were based in other areas in Zhejiang Province or in other provinces and regions in China. For the six months ended 30 June 2026, the Group incurred total staff costs of approximately RMB40.3 million, representing an increase of approximately 1.6% as compared with the same period in 2025 (i.e. RMB39.7 million), mainly attributable to headcount optimization and salary adjustments.

The Group believes that its long-term growth depends on the expertise, experience and development of the employees. The salaries and benefits of the employees depend primarily on their type of work, position, length of service with the Group and local market conditions. In order to improve the employees' skills and technical expertise, the Group provides regular training to the employees.

FUTURE PROSPECTS

Looking ahead to the second half of 2026, the macroeconomy is expected to maintain resilience supported by more proactive policies. Nevertheless, investment in property development, construction and installation works, as well as industry-wide liquidity are likely to remain under pressure. At the same time, structural opportunities arising from urban regeneration, development of "high-quality housing", enhancements to safety of public infrastructure, industrial park development, and continued advancement of intelligent and green construction are expected to benefit construction enterprises with comprehensive qualifications, strong technical capabilities and proven expertise in risk management.

The Group will remain committed to pursuing progress while maintaining stability, with high-quality business development as its core priority. It will consolidate its market position in Tongxiang and Yiwu by prudently pursuing opportunities both within and outside Zhejiang Province as well as in overseas markets, while strengthening collaboration with government investment platforms, state-owned enterprises and high-quality customers. The Group will further enhance its project opportunity screening, tender decision-making, pre-tender cost assessment, and contract terms review, with a focus on achieving an appropriate balance between project scale, profitability, cash flow and credit risk.

In terms of operational management, the Group will push forward end-to-end cost control and strengthen the closed-loop management spanning budgeting, construction, variation orders, final settlement, and post-project review. At the same time, the Group will step up the collection of contract payments and accounts receivable to enhance capital turnover efficiency, and revitalise underperforming and existing assets through category-specific strategies.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of production and technology, the Group will continue to strengthen accountability for quality, safety and project progress, while enhancing controls over high-risk major works, rectification of potential hazards and real-name management of workforce. The Group will further deepen the application of BIM, smart construction sites, intelligent operation and maintenance, and artificial intelligence technologies, thereby promoting digital transformation at both enterprise and project levels. It will also leverage its provincial-level enterprise technology centre and postdoctoral research workstation to strengthen development of construction methodologies, patented technologies, QC measures and green construction technologies.

On top of that, the Group will continue to enhance its compliance management and early risk warning mechanisms, properly resolve litigation matters and legacy issues, optimise organisational processes, talent deployment and performance evaluation, and improve execution efficiency and overall service capabilities. In response to industry cyclical adjustments, the Group will uphold its bottom-line approach to safety and risk management with prudent allocation of resources, striving to achieve coordinated development across its business growth, operational efficiency and cash flow.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2026 and up to the date of this interim report, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company (including sale of treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) (the **"Listing Rules"**)). As at 30 June 2026, the Company did not hold any treasury shares.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests or short positions of the directors (the **"Directors"**), the supervisors (the **"Supervisors"**) and the chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (**"SFO"**)) which will be 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 or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules (the **"Model Code"**) to be notified to the Company and the Stock Exchange are as follows:

The Company

Director/Supervisor	Nature of interest	Number of shares of the relevant corporation (including associated corporation) held ⁽¹⁾	Approximate percentage of shareholdings in the total share capital of the Company	Approximate percentage of shareholdings in the relevant class of shares of the Company
Mr. Lyu Yaoneng ⁽²⁾	Interest of controlled corporation	204,000,000 Domestic Shares (L)	38.25%	51%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the domestic shares.
- (2) Zhejiang Jujiang Holdings Group Co., Ltd.* (浙江巨匠控股集團有限公司) (**"Jujiang Holdings"**) is held as to approximately 51.33% by Mr. Lyu Yaoneng. Mr. Lyu Yaoneng, an executive Director, controls more than one-third of the voting rights of Jujiang Holdings and is deemed to be interested in its interest in the Company by virtue of the SFO.

OTHER INFORMATION

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

As at 30 June 2026, so far as the Directors, Supervisors and the chief executive of the Company are aware of, as indicated on the register of interests and/or short positions required to be maintained pursuant to Section 336 of Part XV of the SFO, the substantial Shareholders and other persons (other than Directors, Supervisors and the chief executive of the Company) had the following interests and/or short positions in the shares or underlying shares of the Company:

Shareholders	Nature of interest	Number of shares held ⁽¹⁾	Approximate percentage of shareholdings in the relevant class of shares ⁽²⁾	Approximate percentage of shareholdings in the total share capital of the Company ⁽³⁾
Jujiang Holdings ⁽⁴⁾	Beneficial owner	204,000,000 Domestic Shares (L)	51.0%	38.25%
Ms. Shen Hongfen ⁽⁵⁾	Interest of spouse	204,000,000 Domestic Shares (L)	51.0%	38.25%
Jujiang Equity Investment ⁽⁶⁾	Beneficial owner	196,000,000 Domestic Shares (L)	49.0%	36.75%
Chan Ka Wo	Beneficial owner	9,480,000 H Shares (L)	7.1%	1.78%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the domestic shares.
- (2) The calculation is based on the percentage of shareholding in the domestic shares/H shares.
- (3) The calculation is based on the total number of 533,360,000 shares in issue.
- (4) Jujiang Holdings is directly interested in approximately 38.25% in the Company.
- (5) Ms. Shen Hongfen (沈洪芬), the spouse of Mr. Lyu Yaoneng, is deemed to be interested in Mr. Lyu Yaoneng's interest in the Company by virtue of the SFO.
- (6) Zhejiang Jujiang Equity Investment Management Co., Ltd.* (浙江巨匠股權投資管理股份有限公司) ("Jujiang Equity Investment") is directly interested in approximately 36.75% in the Company.

OTHER INFORMATION

Save as disclosed above, as at 30 June 2026, so far as the Directors, Supervisors and the chief executive of the Company are aware of, no other persons have interests and/or short positions in the Shares or underlying Shares which were required, pursuant to Section 336 of Part XV of the SFO, to be recorded in the register kept under such provisions.

SHARE SCHEMES

During the reporting period and up to the date of this interim report, the Group has no share scheme.

DIRECTORS' COMPETING INTERESTS

Save as disclosed in this interim report, none of the controlling shareholders of the Company, Directors and their respective close associates has any interests in any business which directly or indirectly competes or is likely to compete with the principal business and other businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board comprises six executive Directors and three independent non-executive Directors. The Board has adopted the code provisions (the "**Code Provisions**") of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules. Throughout the six months ended 30 June 2026 and up to the date of this interim report, the Company has fully complied with the Code Provisions. The Directors will review the Company's corporate governance policies and compliance with the CG Code each financial year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' and Supervisors' securities transactions. Upon specific enquiries, all Directors and Supervisors confirmed that they have complied with the relevant provisions of the Model Code throughout the period from 1 January 2026 to 30 June 2026.

Senior management who, because of their office in the Company, are likely to be in possession of inside information, have also been requested to comply with the provisions of the Model Code.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Save as disclosed in this interim report, there was no change in the information of the Directors, Supervisors or chief executive required to be disclosed under Rule 13.51B(1) of the Listing Rules since publication of the Company's 2025 annual report.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, there are no major events subsequent to 30 June 2026 which would materially affect the Group's operating and financial performance as at the date of this interim report.

OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee has discussed with the management and the external auditor of the Company the accounting principles and policies adopted by the Group, and discussed the internal control and financial reporting matters of the Group. The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026, and is of the opinion that the financial statements comply with the applicable accounting standards.

On behalf of the Board
Jujiang Construction Group Co., Ltd.
Mr. Lyu Yaoneng
Chairman

Zhejiang Province, the PRC, 21 August 2026

* *For identification purpose only*

INDEPENDENT REVIEW REPORT



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To the board of directors of Jujiang Construction Group Co., Ltd.

(Established in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 54, which comprises the condensed consolidated statement of financial position of Jujiang Construction Group Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting (“**IAS 34**”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Certified Public Accountants
Hong Kong

21 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited) (Restated)
CONTINUING OPERATIONS			
REVENUE	4	2,559,130	2,321,201
Cost of sales		(2,477,202)	(2,236,614)
Gross profit		81,928	84,587
Other income and gains	5	24,308	7,524
Administrative expenses		(61,039)	(64,350)
Impairment losses on financial and contract assets, net		(36,644)	(11,972)
Other expenses		(2,992)	(3,426)
Finance costs	6	(10,286)	(10,761)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	7	(4,725)	1,602
Income tax expense	8	(9,220)	(963)
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(13,945)	639
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	9	5,178	3,668
(LOSS)/PROFIT FOR THE PERIOD		(8,767)	4,307
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		(137)	(248)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		(137)	(248)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(8,904)	4,059

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited) (Restated)
(Loss)/profit attributable to:			
Owners of the parent		(11,689)	(1,111)
Non-controlling interests		2,922	5,418
		(8,767)	4,307
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(11,784)	(1,284)
Non-controlling interests		2,880	5,343
		(8,904)	4,059
Loss per share attributable to ordinary equity holders of the parent:			
Basic and diluted (expressed in RMB per share)	11	(0.02)	(0.00)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	105,769	111,970
Investment properties		61,473	64,278
Right-of-use assets		11,393	13,591
Goodwill		–	1,162
Other intangible assets		1,565	60,903
Deferred tax assets		81,168	86,341
Long term receivables		–	86,273
Total non-current assets		261,368	424,518
CURRENT ASSETS			
Inventories		11,722	19,870
Non-current assets due within one year		–	9,492
Trade and bills receivables	13	1,850,589	1,758,074
Contract assets	14	2,305,598	2,517,901
Prepayments, other receivables and other assets	15	419,730	424,428
Pledged deposits	16	95,135	125,112
Cash and cash equivalents	16	287,454	283,799
Total current assets		4,970,228	5,138,676
CURRENT LIABILITIES			
Trade and bills payables	17	2,397,050	2,531,039
Other payables and accruals	18	597,528	671,141
Interest-bearing bank and other borrowings	19	438,847	456,749
Tax payable		222,424	225,831
Total current liabilities		3,655,849	3,884,760
NET CURRENT ASSETS		1,314,379	1,253,916
TOTAL ASSETS LESS CURRENT LIABILITIES		1,575,747	1,678,434

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	19	4,232	90,705
Total non-current liabilities		4,232	90,705
Net assets		1,571,515	1,587,729
EQUITY			
Equity attributable to owners of the parent			
Share capital	20	533,360	533,360
Reserves		1,001,937	1,013,721
		1,535,297	1,547,081
NON-CONTROLLING INTERESTS			
		36,218	40,648
Total equity		1,571,515	1,587,729

Lyu Yaoneng
Director

Lyu Dazhong
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

Notes	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Share capital RMB'000	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025 (audited)	533,360	188,665	-	108,366	(75)	716,765	1,547,081	40,648	1,587,729
Loss for the period	-	-	-	-	-	(11,689)	(11,689)	2,922	(8,767)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	(95)	-	(95)	(42)	(137)
Total comprehensive loss for the period	-	-	-	-	(95)	(11,689)	(11,784)	2,880	(8,904)
Transfer to special reserve (i)	-	-	86,930	-	-	(86,930)	-	-	-
Utilisation of special reserve (i)	-	-	(86,930)	-	-	86,930	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	(7,310)	(7,310)
Appropriation to statutory surplus reserve	-	-	-	1,339	-	(1,339)	-	-	-
At 30 June 2026 (unaudited)	533,360	188,665	-	109,705	(170)	703,737	1,535,297	36,218	1,571,515

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

Notes	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Share capital RMB'000	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000			
At 31 December 2024 (audited)	533,360	188,665	-	108,111	(60)	774,429	1,604,505	35,305	1,639,810
Profit for the period	-	-	-	-	-	(1,111)	(1,111)	5,418	4,307
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	(173)	-	(173)	(75)	(248)
Total comprehensive income for the period	-	-	-	-	(173)	(1,111)	(1,284)	5,343	4,059
Transfer to special reserve (i)	-	-	68,891	-	-	(68,891)	-	-	-
Utilisation of special reserve (i)	-	-	(68,891)	-	-	68,891	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(2,126)	(2,126)
At 30 June 2025 (unaudited)	533,360	188,665	-	108,111	(233)	773,318	1,603,221	38,522	1,641,743

Note:

- (i) Pursuant to the Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation (Cai Qi [2012] No.16) issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from profit after tax an amount to a safety reserve at rates of 1.5% to 2% of the total construction contract revenue recognised. On 21 November 2022, the Ministry of Finance and the Ministry of Emergency Management of the People's Republic of China issued Cai Zi [2022] No.136, pursuant to which the rates for the safety reserve have been updated to 1.5% to 3%, with immediate effect on the new contracts signed afterwards. The reserve can be utilised for improvements of safety on the construction work.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		2,208	6,511
From continuing operations		(4,725)	1,602
From a discontinued operation	9	6,933	4,909
Adjustments for:			
Finance costs		12,291	14,161
Interest income		(3,678)	(3,669)
Exchange difference		423	50
Depreciation of items of property, plant and equipment		5,086	6,759
Depreciation of right-of-use assets		940	1,624
Depreciation of investment properties		1,747	1,734
Amortisation of intangible assets		3,908	3,865
Impairment of trade receivables		11,858	10,509
Impairment of financial assets included in prepayments, other receivables and other assets		753	2,113
Impairment of contract assets		24,033	(650)
Fair value change through profit or loss		(230)	(4,625)
Gain on disposal of items of property, plant and equipment, net	12	(42)	(112)
Loss on disposal of investment properties		62	–
Gain on disposal of a subsidiary		(23,302)	–
		36,057	38,270
Decrease in inventories		8,148	5,459
Decrease in contract assets		185,469	142,679
Increase in trade and bills receivables		(133,544)	(109,444)
Decrease/(increase) in prepayments, other receivables and other assets		2,863	(13,997)
Decrease in long term receivables		4,715	4,806
Withdrawal of pledged deposits		29,977	25,391
Decrease in trade and bills payables		(133,005)	(115,436)
(Decrease)/increase in other payables and accruals		(42,801)	90,066
Cash flows used in operations		(42,121)	(13,206)
Interest received		3,678	3,669
Income tax paid		(7,508)	(3,921)
Net cash flows used in operating activities		(45,951)	(13,458)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(4,186)	(3,806)
Additions to other intangible assets		(277)	–
Proceeds from disposal of items of property, plant and equipment	12	502	137
Disposal of a subsidiary	9	63,190	–
Net cash flows from/(used in) investing activities		59,229	(3,669)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from third parties		13,000	12,000
Interest paid		(12,174)	(14,203)
New borrowings		183,610	292,800
Repayment of borrowings		(191,635)	(266,937)
Principal portion of lease payments		(1,864)	(1,050)
Net cash flows (used in)/from financing activities		(9,063)	22,610
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		4,215	5,483
Cash and cash equivalents at beginning of period		283,799	184,036
Effect of foreign exchange rate changes, net		(560)	(302)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		287,454	189,217

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025. The interim condensed consolidated financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand, except when otherwise indicated.

This interim condensed consolidated financial information has not been audited.

2. CHANGES IN THE GROUP’S ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period’s financial information.

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

2. CHANGES IN THE GROUP'S ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The nature and impact of the amended IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.
- (b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *Annual Improvements to IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2026

	Construction contracting RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 4):				
Sales to external customers	2,537,939	21,191	–	2,559,130
Intersegment sales	–	1,941	(1,941)	–
Total segment revenue	2,537,939	23,132	(1,941)	2,559,130
(Loss)/profit before tax for the period	(7,032)	2,257	50	(4,725)
Income tax expense	(9,327)	107	–	(9,220)
Segment results	(16,359)	2,364	50	(13,945)
Other segment information:				
Interest income	310	6	–	316
Finance costs	10,286	–	–	10,286
Depreciation	5,447	1,903	–	7,350
Amortisation	170	104	–	274
Impairment losses recognised in profit or loss, net	37,738	(1,094)	–	36,644
Capital expenditure*	2,887	1,576	–	4,463

Note:

- * Capital expenditure mainly consists of additions to property, plant and equipment and other intangible assets.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

3. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2025

	Construction contracting RMB'000 (Unaudited)	Others RMB'000 (Unaudited) (Restated)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited) (Restated)
Segment revenue (note 4):				
Sales to external customers	2,293,035	28,166	–	2,321,201
Intersegment sales	–	7,704	(7,704)	–
Total segment revenue	2,293,035	35,870	(7,704)	2,321,201
Profit before tax for the period	2,466	4,041	(4,905)	1,602
Income tax expense	(940)	(23)	–	(963)
Segment results	1,526	4,018	(4,905)	639
Other segment information:				
Interest income	32	5	–	37
Finance costs	10,488	273	–	10,761
Depreciation	6,934	2,706	–	9,640
Amortisation	212	19	–	231
Impairment losses recognised in profit or loss	11,954	18	–	11,972
Capital expenditure*	3,798	8	–	3,806

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2026 and 31 December 2025.

	Construction contracting RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment assets				
30 June 2026 (unaudited)	5,548,793	93,759	(410,956)	5,231,596
31 December 2025 (audited)	5,591,248	332,337	(360,391)	5,563,194
Segment liabilities				
30 June 2026 (unaudited)	4,006,815	20,259	(366,993)	3,660,081
31 December 2025 (audited)	4,050,806	194,201	(269,542)	3,975,465

Note:

* Capital expenditure mainly consists of additions to property, plant and equipment and other intangible assets.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. REVENUE

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	Construction contracting RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services			
Construction contracting	2,537,939	–	2,537,939
Design, survey, training and consultancy	–	6,985	6,985
Sale of construction materials and civil defence products	–	14,206	14,206
Total	2,537,939	21,191	2,559,130
Geographical markets			
Chinese mainland	2,495,082	21,191	2,516,273
Indonesia	42,857	–	42,857
Total	2,537,939	21,191	2,559,130
Timing of revenue recognition			
Services transferred over time	2,537,939	1,521	2,539,460
Goods transferred at a point in time	–	19,670	19,670
Total	2,537,939	21,191	2,559,130

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. REVENUE *(continued)*

Disaggregated revenue information for revenue from contracts with customers *(continued)*

For the six months ended 30 June 2025

Segments	Construction contracting RMB'000 (Unaudited)	Others RMB'000 (Unaudited) (Restated)	Total RMB'000 (Unaudited) (Restated)
Types of goods or services			
Construction contracting	2,293,035	–	2,293,035
Design, survey, training and consultancy	–	12,823	12,823
Sale of construction materials and civil defence products	–	15,343	15,343
Total	2,293,035	28,166	2,321,201
Geographical markets			
Chinese mainland	2,274,231	28,166	2,302,397
Indonesia	18,804	–	18,804
Total	2,293,035	28,166	2,321,201
Timing of revenue recognition			
Services transferred over time	2,293,035	404	2,293,439
Goods transferred at a point in time	–	27,762	27,762
Total	2,293,035	28,166	2,321,201

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. REVENUE *(continued)*

Disaggregated revenue information for revenue from contracts with customers *(continued)*

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

For the six months ended 30 June 2026

Segments	Construction contracting RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue			
External customers	2,537,939	21,191	2,559,130
Intersegment sales	–	1,941	1,941
Subtotal	2,537,939	23,132	2,561,071
Intersegment adjustments and eliminations	–	(1,941)	(1,941)
Total	2,537,939	21,191	2,559,130

For the six months ended 30 June 2025

Segments	Construction contracting RMB'000 (Unaudited)	Others RMB'000 (Unaudited) (Restated)	Total RMB'000 (Unaudited) (Restated)
Revenue			
External customers	2,293,035	28,166	2,321,201
Intersegment sales	–	7,704	7,704
Subtotal	2,293,035	35,870	2,328,905
Intersegment adjustments and eliminations	–	(7,704)	(7,704)
Total	2,293,035	28,166	2,321,201

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Other income		
Government grants	207	1,110
Bank interest income	316	37
Others	253	1,752
Total other income	776	2,899
Gains		
Gain on disposal of a subsidiary	23,302	–
Financial assets at fair value through profit or loss	230	4,625
Total gains	23,532	4,625
Total other income and gains	24,308	7,524

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Interest on bank loans and other borrowings	10,169	10,587
Interest on lease liabilities	117	174
Total	10,286	10,761

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax from continuing operations is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Cost of construction contracting (including depreciation and research and development costs)	2,455,806	2,219,418
Cost of others	21,396	17,196
Total cost of sales	2,477,202	2,236,614
Depreciation of items of property, plant and equipment	4,663	6,282
Depreciation of investment properties	1,747	1,734
Depreciation of right-of-use assets	940	1,624
Amortisation of intangible assets	274	231
Total depreciation and amortisation	7,624	9,871
Research and development costs:		
Current period expenditure	75,410	102,835
	75,410	102,835
Impairment of trade receivables	11,858	10,509
Impairment of contract assets, net	24,033	(650)
Impairment of financial assets included in prepayments, other receivables and other assets	753	2,113
Total impairment losses, net	36,644	11,972
Auditor's remuneration	950	1,050
Employee benefit expenses (including directors' and supervisors' remuneration):		
– Wages, salaries and allowances	30,687	33,468
– Social insurance	7,811	5,550
– Welfare and other expenses	1,845	706
	40,343	39,724
Interest income	(316)	(37)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

8. INCOME TAX EXPENSE

Most of the companies of the Group are subject to PRC Corporation Income Tax Law, pursuant to which tax has been provided based on the statutory rate of 25% (2025: 25%) of the assessable profits of each of these companies during the period as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC entities of the Company, which were taxed at 15%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Current – Chinese mainland		
Charge for the period	2,662	974
Overprovision in prior periods	(36)	–
Current – Elsewhere	1,421	294
Deferred	5,173	(305)
Total tax charge for the period from continuing operations	9,220	963
Total tax charge for the period from a discontinued operation	1,755	1,241
Total	10,975	2,204

30 June 2026

9. DISCONTINUED OPERATION

On 30 June 2026, the Company entered into an equity transfer agreement with the Tongxiang City Education and Culture Development Investment Co., Ltd.* (桐鄉市教育文化發展投資有限公司) (the **"Purchaser"**) to sell the equity interest, being 80% of the equity interest in Tongxiang City Youth Quality Education Practice Base Co.,Ltd. ("桐鄉市青少年素質教育實踐基地有限責任公司") (the **"Education Practice Base"**). The Education Practice Base engaged in building and operating a quality education practice base for youth. The Group decided to cease its involvement in the PPP project and focus on its construction service business. The disposal of the Education Practice Base was completed on 30 June 2026. The consideration for the transaction amounted to approximately RMB66,313,000, all of which had been received by the Company. Accordingly, results of Education Practice Base before the disposal has been presented as a discontinued operation in the Group's consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2026 and the comparative figures in the period ended 30 June 2025 have been restated.

The results of Tongxiang City Youth Quality Education Practice Base Co., Ltd. for the period are presented below:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	13,994	14,081
Cost of sales	(1,397)	(2,413)
Other income and gains	3,398	3,703
Expenses	(7,057)	(7,062)
Finance costs	(2,005)	(3,400)
Profit before tax from the discontinued operation	6,933	4,909
Income tax:		
Related to pre-tax profit	(1,755)	(1,241)
Profit for the period from the discontinued operation	5,178	3,668

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

9. DISCONTINUED OPERATION *(continued)*

The net cash flows generated from the disposal of Tongxiang City Youth Quality Education Practice Base Co., Ltd. are as follows:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)
Cash received from disposal of the discontinued operation	66,313
Cash and bank balances disposed of	(3,123)
Net cash inflow	63,190

The net cash flows incurred by Tongxiang City Youth Quality Education Practice Base Co., Ltd. are as follows:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Operating activities	(1,820)	196
Investing activities	(1,329)	(1,997)
Financing activities	(1,971)	(3,247)
Net cash outflow	(5,120)	(5,048)
Earnings per share:		
Basic, from the discontinued operation	RMB0.01	RMB0.01
Diluted, from the discontinued operation	RMB0.01	RMB0.01

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

9. DISCONTINUED OPERATION *(continued)*

The calculations of basic and diluted earnings per share for the discontinued operation are based on:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation	RMB5,178,000	RMB3,668,000
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculations	533,360,000	533,360,000

10. DIVIDENDS

The board of directors did not recommend the payment of an interim dividend for the period ended 30 June 2026 (six months ended 30 June 2025: nil).

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

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

The following reflects the income and share data used in the basic loss per share computation:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss:		
Loss for the period attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(11,689)	(1,111)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

	For the six months ended 30 June	
	2026	2025
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic loss per share calculation	533,360	533,360

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at an aggregate cost amounting to approximately RMB4,186,000 (unaudited) (six months ended 30 June 2025: RMB3,806,000 (unaudited)).

In addition, during the same period, property, plant and equipment with an aggregate net carrying value of approximately RMB460,000 (unaudited) (six months ended 30 June 2025: RMB25,000 (unaudited)) were disposed of, which resulted in a net gain on disposal of approximately RMB42,000 (unaudited) (six months ended 30 June 2025: RMB112,000 (unaudited)).

13. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables at amortised cost	2,021,006	1,809,830
Provision for impairment	(421,826)	(409,968)
Trade receivables, net	1,599,180	1,399,862
Bills receivable	251,409	358,212
Total	1,850,589	1,758,074

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

13. TRADE AND BILLS RECEIVABLES *(continued)*

The majority of the Group's revenue is generated from construction services, and the settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods offered by the Group are one to three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables, including retentions based on the due date and others based on the billing date and net of loss allowance, as at the end of the reporting period is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	588,026	433,483
3 months to 6 months	71,456	211,027
6 months to 1 year	231,427	98,636
1 to 2 years	364,252	337,048
2 to 3 years	243,350	224,008
3 to 4 years	70,038	67,736
4 to 5 years	30,631	27,924
Total	1,599,180	1,399,862

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of the period/year	409,968	340,514
Impairment losses, net	11,858	69,454
At end of the period/year	421,826	409,968

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

14. CONTRACT ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contract assets arising from:		
Construction services	2,457,959	2,646,253
Design, survey, training and consultancy	10,771	10,747
Total	2,468,730	2,657,000
Impairment	(163,132)	(139,099)
Net carrying amount	2,305,598	2,517,901

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments	343,042	338,359
Deposits and other receivables	125,122	133,750
	468,164	472,109
Impairment allowance	(48,434)	(47,681)
Net carrying amount	419,730	424,428

The movements in provision for impairment of deposits and other receivables are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of the period/year	47,681	43,431
Impairment losses, net	753	4,250
At end of the period/year	48,434	47,681

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank balances	287,454	283,799
Pledged deposits	95,135	125,112
	382,589	408,911
Less: Pledged time deposits:		
Pledged for salaries of migrant workers	(60,412)	(70,894)
Pledged for bank notes	(3,580)	(5,161)
Pledged for legally freezing	(31,143)	(49,057)
Cash and cash equivalents	287,454	283,799

The RMB is not freely convertible into other currencies. However, under the Chinese mainland's prevailing rules and regulations over foreign exchange, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

17. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables, as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 6 months	1,245,176	1,091,055
6 months to 1 year	269,360	320,988
1 to 2 years	278,132	370,883
2 to 3 years	201,599	314,787
Over 3 years	402,783	433,326
Total	2,397,050	2,531,039

The trade and bills payables are non-interest-bearing and are normally settled within terms from three to six months.

18. OTHER PAYABLES AND ACCRUALS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Other taxes payable	255,889	243,163
Contract liabilities	249,759	235,125
Other payables	76,646	175,440
Accrued salaries, wages and benefits	12,262	17,413
Dividends payable	2,972	—
Total	597,528	671,141

The above amounts are unsecured, non-interest-bearing and have no fixed terms of settlement.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

19. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Lease liabilities	4.90	2026-2027	1,257	4.90	2026	3,771
Bank loans – mortgaged/guaranteed	2.50-4.70	2026-2027	340,990	3.10-4.70	2026	347,650
Bank loans – guaranteed	2.50-4.84	2026-2027	85,000	3.50-5.30	2026	85,000
Bank loans – other	3.50	2026-2027	11,600	–	–	–
Current portion of long term bank loans – guaranteed	–	–	–	4.41	2026	20,328
Total current			438,847			456,749
Non-current						
Lease liabilities	4.90	2027-2032	4,232	4.90	2027-2032	4,722
Bank loans – guaranteed	–	–	–	4.41	2027-2030	85,983
Total non-current			4,232			90,705

Notes:

- Certain of the Group's buildings with net carrying amounts of approximately RMB126,047,000 (unaudited) and approximately RMB128,461,000 (audited) as at 30 June 2026 and 31 December 2025, respectively, were used to secure general banking facilities granted to the Group.
- As set out in note 22(b), as at 30 June 2026 and 31 December 2025, the Group's interest-bearing bank and other borrowings of approximately RMB422,390,000 (unaudited) and approximately RMB432,650,000 (audited), respectively, were jointly guaranteed by the controlling shareholder and other related parties of the Group at no cost.
- The Group entered into a fixed asset loan contract with maximum loan amounts totalling RMB190,000,000. As at 30 June 2026 and 31 December 2025, the outstanding loan balances amounted to RMB Nil (unaudited) and RMB106,311,000 (audited).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

20. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Share capital	533,360	533,360

21. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

22. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Construction contracting services provided to fellow subsidiaries	272	4,073
Purchases of raw materials from a company of which the controlling shareholder of the company is a key member of management personnel of the parent company	2,281	—
Lease payments to a fellow subsidiary	298	1,193

The above related party transactions were conducted in accordance with the terms mutually agreed between the parties.

- (b) Other transactions with related parties:

The Group's interest-bearing bank and other borrowings of RMB422,390,000 (unaudited) and RMB432,650,000 (audited) as at 30 June 2026 and 31 December 2025, respectively, were jointly guaranteed by the controlling shareholder and other related parties of the Group, as set out in note 19(b).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

22. RELATED PARTY TRANSACTIONS *(continued)*

(c) Outstanding balances with related parties:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade and bills receivables:		
Fellow subsidiaries	28,387	28,387
Trade payables:		
Fellow subsidiaries	1,767	1,537
Purchases of raw materials from a company of which the controlling shareholder of the company is a key member of management personnel of the parent company	800	–
Other receivables:		
Fellow subsidiaries	20	20
Key management personnel of the holding company	950	950
Contract assets:		
Fellow subsidiaries	10,242	10,446
An associate of fellow subsidiaries	1,072	1,072
Contract liabilities:		
Fellow subsidiaries	1,248	1,360

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short term employee benefits	2,026	2,046
Post-employment benefits	62	62
Total compensation paid to key management personnel	2,088	2,108

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to their fair values as at the end of the reporting period, are as follows:

	Carrying amounts	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets		
Bills receivable	251,409	358,212
Long term receivables	–	86,273
Total	251,409	444,485
Financial liabilities		
Interest-bearing bank and other borrowings (other than lease liabilities)	433,990	538,961
	Fair values	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets		
Bills receivable	251,409	358,212
Long term receivables	–	86,273
Total	251,409	444,485
Financial liabilities		
Interest-bearing bank and other borrowings (other than lease liabilities)	433,990	538,961

Management has assessed that the fair values of cash and bank balances, pledged deposits, trade receivables, trade and bills payables, interest-bearing bank and other borrowings, financial assets included in prepayments, other receivables and other assets, and other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief accountant. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief accountant. The valuation process and results are discussed with senior management twice a year for annual financial reporting.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:**As at 30 June 2026**

	Fair value measurement categorised into			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Bills receivable	–	251,409	–	251,409

As at 31 December 2025

	Fair value measurement categorised into			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Bills receivable	–	358,212	–	358,212

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2025: Nil).

24. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the reporting period that are required to be disclosed.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 21 August 2026.