

# Zhongtian Construction (Hunan) Group Limited

## 中天建設(湖南)集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 2433

# INTERIM REPORT

# 2025



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## Corporate Information

### DIRECTORS

#### EXECUTIVE DIRECTORS:

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

#### INDEPENDENT NON-EXECUTIVE DIRECTORS:

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

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 913, 9/F.  
Chinachem Golden Plaza  
No. 77 Mody Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

### COMPANY'S WEBSITE

[www.ztcon.com](http://www.ztcon.com)

### COMPANY SECRETARY

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

### AUTHORISED REPRESENTATIVES

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### AUDITORS

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

### LEGAL ADVISERS AS TO HONG KONG LAW

ONC Lawyers  
19th Floor  
Three Exchange Square  
8 Connaught Place  
Central  
Hong Kong

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

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

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

### PRINCIPAL BANKER

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

### STOCK CODE

2433

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	5	346,554	356,507
Cost of sales		<b>(307,482)</b>	(317,772)
<b>Gross profit</b>		<b>39,072</b>	38,735
Other income and other gains, net	6	305	591
Administrative and other expenses		<b>(34,484)</b>	(34,936)
Impairment on financial and contract assets, net		<b>(24,268)</b>	(28,492)
Finance costs	7	<b>(2,157)</b>	(2,741)
<b>Loss before income tax</b>	8	<b>(21,532)</b>	(26,843)
Income tax credit	9	<b>1,999</b>	4,130
<b>Loss and total comprehensive income for the period</b>		<b>(19,533)</b>	(22,713)
<b>Loss and total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>(18,397)</b>	(21,551)
Non-controlling interests		<b>(1,136)</b>	(1,162)
		<b>(19,533)</b>	(22,713)
<b>Loss per share attributable to owners of the Company for the period</b>			
Basic and diluted (expressed in RMB cents per share)	10	<b>(3.19)</b>	(4.25)*

\* restated

# Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	14,155	14,739
Investment properties		8,792	8,940
Deferred tax assets		16,254	12,523
Intangible assets		36	38
		<b>39,237</b>	36,240
<b>Current assets</b>			
Inventories		139	978
Trade, bills and other receivables and prepayments	13	624,038	528,494
Contract assets		1,600,501	1,599,809
Restricted bank deposits		37,564	41,570
Cash and cash equivalents		40,679	32,543
		<b>2,302,921</b>	2,203,394
<b>Current liabilities</b>			
Trade payables	14	1,089,101	985,306
Bills payables		14,200	8,500
Accruals and other payables		639,828	612,284
Contract liabilities		9,355	5,355
Lease liabilities		365	357
Borrowings	15	92,727	110,261
Income tax payable		15,917	15,987
		<b>1,861,493</b>	1,738,050
<b>Net current assets</b>		<b>441,428</b>	465,344
<b>Total assets less current liabilities</b>		<b>480,665</b>	501,584
<b>Non-current liabilities</b>			
Lease liabilities		937	1,121
Borrowings	15	622	2,800
		<b>1,559</b>	3,921
<b>NET ASSETS</b>		<b>479,106</b>	497,663

# Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	16	5,132	5,132
Reserves		466,468	485,150
		<b>471,600</b>	490,282
<b>Non-controlling interests</b>		<b>7,506</b>	7,381
		<b>479,106</b>	497,663

The condensed consolidated financial statements were approved and authorised for issue by the board of the directors of the Company on 29 August 2025 and are signed on its behalf by:

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**Yang Zhongjie**  
Executive director

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**Liu Xiaohong**  
Executive director

# Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 June 2025

	Equity attributable to the owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserve	Statutory special reserve	Statutory reserve	Retained earnings			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2024</b>									
<b>(audited)</b>	4,245	102,792	79,673	405	35,772	278,937	501,824	10,636	512,460
Issuance of shares upon placing	887	13,493	–	–	–	–	14,380	–	14,380
Expenses attributed to placing new shares upon placing	–	(217)	–	–	–	–	(217)	–	(217)
Loss and total comprehensive income for the period	–	–	–	–	–	(21,551)	(21,551)	(1,162)	(22,713)
Transfer to special reserve	–	–	–	5,683	–	–	5,683	–	5,683
Utilisation of special reserve	–	–	–	(6,032)	–	–	(6,032)	–	(6,032)
<b>At 30 June 2024 (unaudited)</b>	<b>5,132</b>	<b>116,068</b>	<b>79,673</b>	<b>56</b>	<b>35,772</b>	<b>257,386</b>	<b>494,087</b>	<b>9,474</b>	<b>503,561</b>
<b>Balance at 1 January 2025</b>									
<b>(audited)</b>	5,132	116,068	79,673	331	35,530	253,548	490,282	7,381	491,663
Loss and total comprehensive income for the period	–	–	–	–	–	(18,397)	(18,397)	(1,136)	(19,533)
Deemed contribution by non-controlling interests	–	–	–	–	–	(285)	(285)	–	(285)
Contribution by non-controlling interests	–	–	–	–	–	–	–	1,261	1,261
<b>At 30 June 2025 (unaudited)</b>	<b>5,132</b>	<b>116,068</b>	<b>79,673</b>	<b>331</b>	<b>35,530</b>	<b>234,866</b>	<b>471,600</b>	<b>7,506</b>	<b>479,106</b>

# Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Net cash generated from operating activities</b>	<b>44,779</b>	145
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(773)	(446)
Proceeds on disposal of property, plant and equipment	59	116
Interest received	140	85
Advance to shareholders	—	(391)
<b>Net cash used in investing activities</b>	<b>(574)</b>	(636)
<b>Cash flows from financing activities</b>		
Proceeds from new borrowings	89,472	72,733
Repayments of borrowings	(109,184)	(71,800)
Interest paid	(2,157)	(2,741)
Repayments of lease liabilities	(176)	(151)
Advance from shareholders	—	100
Repayments of bills payable	(15,000)	(15,000)
Capital contribution by non-controlling interest	976	—
Proceeds from issue of new shares	—	14,380
Payment of share issue expenses	—	(217)
<b>Net cash used in financing activities</b>	<b>(36,069)</b>	(2,696)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,136</b>	(3,187)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>32,543</b>	59,609
<b>Cash and cash equivalents at the end of the period</b>	<b>40,679</b>	56,422



# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 1. GENERAL INFORMATION

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

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

In the opinion of the directors, as at the date of this report, the ultimate holding company is ZT (A) Limited, a company incorporated in BVI.

## 2. BASIS OF PREPARATION

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

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024 (the “**Annual Report 2024**”) which have been prepared in accordance with HKFRS Accounting Standards.

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies and methods of computation as adopted by the Group in the Annual Report 2024 except for the adoption of new or amended HKFRS Accounting Standards as mentioned in note 3.

In preparing the unaudited condensed consolidated interim financial information, the significant judgment made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the Annual Report 2024.

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

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

Except as described below, the accounting policies applied are consistent with those of the 2024 financial statements as described therein.

### New and amendments to standards and interpretation adopted by the Group

The following amendments are effective for the period beginning 1 January 2024:

Amendment to HKAS 21	Lack of Exchangeability
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The amendments listed above did not have any material effect on the reported results or financial position of the Group for both current and prior reporting period.

## 4. SEGMENT INFORMATION

### (a) Operating segment information

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

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

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

The major operating entities of the Group is domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC during the periods ended 30 June 2025 and 2024.

As at 30 June 2025 and 31 December 2024, all of the non-current assets were located in the PRC.

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 4. SEGMENT INFORMATION *(Continued)*

### (b) Information about major customers

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue for the periods ended 30 June 2025 and 2024, is set out below:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	N/A*	35,883
Customer B	71,798	N/A*

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

## 5. REVENUE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Revenue from construction contracts</b>		
Civil building construction	204,101	190,329
Municipal works construction	103,602	88,683
Foundation works	4,199	4,289
Prefabricated steel structure construction works	13,808	29,433
Other specialised contracting works	20,017	42,138
	<b>345,727</b>	354,872
<b>Revenue from provision of construction machinery and equipment</b>	<b>827</b>	1,635
	<b>346,554</b>	356,507

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 5. REVENUE (Continued)

Timing of revenue recognition:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
– Transferred over time	<b>346,554</b>	356,507

The following table provides information about the geographical areas of the revenue derived from customers:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Hunan	<b>193,324</b>	257,348
Hainan	<b>30,721</b>	50,168
Jiangxi	<b>71,798</b>	15,164
Others	<b>295,843</b>	322,680
	<b>50,711</b>	33,827
	<b>346,554</b>	356,507

## 6. OTHER INCOME AND OTHER GAINS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income on bank deposits	<b>349</b>	85
Government grants (Note)	<b>8</b>	507
Gain on disposal of property, plant and equipment	<b>(32)</b>	1
Others	<b>(84)</b>	(2)
	<b>305</b>	591

Note:

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

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest charge on lease liabilities	36	39
Interest charge on borrowings	2,121	2,702
	<b>2,157</b>	<b>2,741</b>

## 8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging the followings:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories	93,849	145,446
Auditors' remuneration	—	300
Depreciation of owned property, plant and equipment	1,144	2,325
Depreciation of right-of-use assets	186	155
Depreciation of investment properties	148	50
Amortisation of intangible assets	2	1
Gain on disposal of property, plant and equipment	(32)	(1)
Research costs	8,986	9,352
Short-term leases expenses		
— Office premises	735	2
— Machinery and equipment	31,303	19,120
Staff costs (including directors' emoluments):		
— Salaries and wages	7,633	10,927
— Retirement scheme contributions	3,260	3,878

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 9. INCOME TAX CREDIT

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>PRC Enterprise Income Tax</b>		
Current period	1,732	527
Deferred tax	(3,731)	(4,657)
	<b>(1,999)</b>	<b>(4,130)</b>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulations of the EIT Law, the tax rate of the Group is 25% for the six months ended 30 June 2025 and 2024, except for the following subsidiaries:

A subsidiary of the Company has been certified as new high technology enterprise in the PRC and enjoyed a preferential enterprise income tax rate of 15% for the six months ended 30 June 2025 and 2024.

Two subsidiaries of the Company were qualified as small enterprise and are eligible for preferential tax rate of 5% for the six months ended 30 June 2025 and 2024.

## 10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (RMB'000)	(18,397)	(21,551)
Weighted average number of shares in issue (note)	576,000,000	507,342,000*
Basic (loss)/earnings per share (RMB cents)	<b>(3.19)</b>	<b>(4.25)*</b>

\* restated

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 10. LOSS PER SHARE *(Continued)*

Note:

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

The weighted average number of ordinary shares used to calculate the basic losses per share for the six months ended 30 June 2024 represented 480,000,000 ordinary shares of the Company as at 1 January 2024, and weighted average number of 6,857,000 ordinary shares of the Company issued during the six months ended 30 June 2024, which have been adjusted to reflect the bonus element from the placing of new shares of the Company which was completed on 18 June 2024.

Diluted loss per share presented is the same as the basic losses per share as the Group has no dilutive potential ordinary share outstanding for the six months ended 30 June 2025 (2024: Same).

## 11. DIVIDENDS

No dividends were paid or declared by the Company for the six months ended 30 June 2025 and 2024.

## 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of approximately RMB773,000 (six months ended 30 June 2024: RMB446,000). In addition, during the six months ended 30 June 2025, the Group disposed property, plant and equipment of approximately RMB27,000 (six months ended 30 June 2024: RMB115,000).

As at 30 June 2025, certain plant and machinery with carrying amount of approximately RMB5,019,000 (31 December 2024: approximately RMB5,022,000) were pledged as securities for the Group's borrowings (note 15).

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 13. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Trade receivables		
— Related parties	<b>29,430</b>	40,097
— Third parties	<b>347,620</b>	408,375
	<b>377,050</b>	448,472
Bills receivables	<b>1,061</b>	725
Impairment provision for		
— Trade receivables	<b>(48,515)</b>	(35,175)
— Bills receivables	<b>(23)</b>	(49)
	<b>(48,538)</b>	(35,224)
Trade and bills receivables, net	<b>329,573</b>	413,973
Deposits and other receivables	<b>110,324</b>	107,735
Prepayments	<b>206,630</b>	26,780
Impairment provision for deposits and other receivables	<b>(22,489)</b>	(19,994)
Other receivables, prepayments and deposits, net	<b>294,465</b>	114,521
	<b>624,038</b>	528,494

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

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Trade receivables, aged		
0–90 days	<b>40,709</b>	144,887
91–180 days	<b>25,322</b>	11,999
181–365 days	<b>62,821</b>	64,941
1–2 years	<b>94,756</b>	107,476
2–3 years	<b>64,442</b>	53,407
Over 3 years	<b>40,485</b>	30,587
	<b>328,535</b>	413,297



# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

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

As at 30 June 2025, no trade and bills receivables arising from provision of construction services were pledged as securities for the Group's borrowings (31 December 2024: approximately RMB33,750,000).

## 14. TRADE PAYABLES

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Trade payables		
— Related parties	<b>33,202</b>	39,891
— Third parties	<b>1,055,899</b>	945,415
	<b>1,089,101</b>	985,306

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

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
0–90 days	<b>86,078</b>	226,489
91–180 days	<b>66,952</b>	35,362
181–365 days	<b>249,734</b>	262,185
1–2 years	<b>534,396</b>	353,674
Over 2 years	<b>151,941</b>	107,596
	<b>1,089,101</b>	985,306

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 15. BORROWINGS

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
<b>Current</b>		
— Bank borrowings, secured/guaranteed	<b>91,152<sup>1</sup></b>	55,384 <sup>2</sup>
— Bank borrowings, unsecured	<b>1,182<sup>1</sup></b>	54,482 <sup>2</sup>
— Other borrowings, secured	<b>393</b>	395
	<b>92,727</b>	110,261
<b>Non-current</b>		
— Bank borrowings, secured	—	2,800 <sup>2</sup>
— Other borrowings, secured	<b>622</b>	—
	<b>622</b>	2,800
	<b>93,349</b>	113,061

Notes:

- As at 30 June 2025, bank loans with principal amount of RMB1,182,000 were unsecured; bank loans with principal amount of RMB10,652,000 were guaranteed by the Group; bank loans with principal amount of RMB45,000,000 were pledged by the properties of related companies; bank loans with principal amount of RMB35,500,000 were guaranteed by the Group and secured by the properties of the Group.
- As at 31 December 2024, bank loans with principal amount of RMB29,000,000 were pledged by the Group's intangible assets and investment properties; bank loans with principal amount of RMB54,482,000 were unsecured; bank loans with principal amount of RMB11,550,000 were guaranteed by the Group; bank loans with principal amount of RMB2,000,000 were guaranteed by the Group and secured by the properties of the Group; bank loans with principal amount of RMB4,695,000 were secured by bank deposits; bank loans with principal amount of RMB10,000,000 were secured by trade receivable; bank loans with principal amount of RMB939,000 were guaranteed by director.

Bank borrowings were repayable as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Within 1 year	<b>92,334</b>	109,866
In the 2nd year	—	2,800
	<b>92,334</b>	112,666

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 15. BORROWINGS (Continued)

Other borrowings were repayable as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Within 1 year	<b>393</b>	395
In the 2nd year	<b>393</b>	—
In the 3rd year to 5th year	<b>229</b>	—
	<b>1,015</b>	395

The borrowings were secured by the following assets:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Property, plant and equipment (note 12)	<b>5,019</b>	5,022
Trade and bills receivables (note 13)	—	33,750
Investment properties	<b>8,792</b>	6,934
Bank deposit	—	5,000
Intangible assets	—	38

As at 30 June 2025, the Group could not fulfil certain financial covenants as set out in the loan facility agreements by the banks on the bank borrowings in the total amount of RMB73,500,000, which were classified as current liabilities of the Group. Subsequent to the end of the reporting period, the Group had obtained waivers from the banks for the breach of the financial covenants (the “**Waivers**”).

In the opinion of the directors, based on the Waivers obtained, the Group is no longer in breach of any covenants under the Group’s loan facility agreements.

As at 30 June 2025, the Group’s aggregate available unutilised banking facilities amounted to approximately RMB1,058,000 (2024: approximately RMB11,000,000).

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 16. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000	Amount RMB'000
<b>Authorised</b>			
Ordinary shares of HK\$0.01 each			
At 1 January 2024, 31 December 2024 (audited) and 30 June 2025 (unaudited)	<b>5,000,000,000</b>	<b>50,000</b>	<b>45,000</b>
<b>Issued and fully paid</b>			
Ordinary shares of HK\$0.01 each			
At 1 January 2024	480,000,000	4,800	4,245
Issuance of shares upon placing (note (iv))	96,000,000	960	887
At 31 December 2024 (audited), 1 January 2025 and 30 June 2025 (unaudited)	<b>576,000,000</b>	<b>5,760</b>	<b>5,132</b>

Notes:

- (i) The Company was incorporated in the Cayman Islands on 27 March 2020 as an exempted company with limited liability, with authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each and issued 101,100 shares of HK\$0.01 each.
- (ii) On 10 March 2023, an ordinary resolution of the Company was passed, pursuant to which the authorised share capital of the Company was increased from RMB342,000 (equivalent to approximately HK\$380,000) to RMB45,000,000 (equivalent to approximately HK\$50,000,000) by the creation of additional 4,962,000,000 shares of HK\$0.01 each.
- (iii) In connection with the Company's issuance of new shares upon Listing, the Company allotted and issued 120,000,000 shares of HK\$0.01 each at a price of HK\$1.18 per share on 30 March 2023. The gross proceeds from issuance of new shares of approximately RMB125,215,000 (equivalent to approximately HK\$141,600,000) of which approximately RMB1,061,000 (equivalent to approximately HK\$1,200,000) was credited to the Company's share capital, and the remaining balance of approximately RMB124,154,000 (equivalent to approximately HK\$140,400,000) before deduction of share issuance expenses, was credited to share premium account. The share premium account can be used for deduction of share issuance expenses. After the share premium account of the Company being credited as a result of the issuance of new shares upon Listing, RMB3,183,000 (equivalent to approximately HK\$3,599,000) was capitalised from the share premium account and applied in paying up in full at par 359,898,900 new shares for allotment and issue to shareholders whose names appear on the register of members of the Company at the close of business on 30 March 2023 in proportion to their respective shareholdings.
- (iv) On 7 June 2024, the Company and the placing agent entered into the placing agreement, pursuant to which the Company has conditionally agreed to place, on a best effort basis, of up to 96,000,000 placing shares, to not less than six places who and whose ultimate beneficial owners shall be independent third parties at the placing price of HK\$0.162 per placing share. The placing was completed on 18 June 2024. The gross proceeds from the issuance of new shares of approximately RMB14,380,000 (equivalent to approximately HK\$15,552,000), of which approximately RMB887,000 (equivalent to approximately HK\$960,000) was credited to the Company's share capital, and the remaining balance of approximately RMB13,493,000 (equivalent to approximately HK\$14,592,000) before deduction of share issuance expenses of approximately RMB217,000, was credited to share premium account.

# Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 17. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental expenses paid/accrued to a related company	208	208
Purchase of materials from related companies	3,561	50,625
Construction services income earned from related companies	13,245	24,643

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

# Management Discussion and Analysis

## BUSINESS REVIEW AND FUTURE OUTLOOK

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

During the six months ended 30 June 2025 (“**1H2025**”), the Group continued to operate in a challenging market environment amid the prolonged downturn in China’s property sector and slower economic recovery. These factors continued to weigh on construction investment sentiment across both the private and public sectors.

Despite these challenges, the Group’s revenue performance showed signs of stabilization. Total revenue decreased only slightly by 2.8% year-on-year to approximately RMB346.6 million, compared with the significant contraction experienced in the six months ended 30 June 2024 (“**1H2024**”). Notably, revenue from civil building construction and municipal works construction achieved mid-single digit and double-digit growth respectively, driven by the recovery in demand for residential and infrastructure projects. However, revenue from prefabricated steel structure projects and other specialised contracting works declined substantially, reflecting the cautious stance of customers in committing to larger or discretionary projects.

Gross profit margin improved modestly to approximately 11.3% (1H2024: approximately 10.9%) as the Group focused on cost control and disciplined project selection. Impairment losses on receivables and contract assets decreased compared with the prior period, while finance costs also fell due to lower average borrowings. As a result, the Group narrowed its net loss attributable to owners to approximately RMB18.4 million, representing improvement of approximately 14.6% year-on-year.

### Future Outlook

Looking ahead, the construction industry in the PRC is expected to remain under pressure due to the ongoing weakness of the property market and cautious public sector spending. Competition for new projects is likely to remain intense, and liquidity management will continue to be a critical challenge for industry participants.

In this environment, the Group will maintain a prudent and flexible strategy to safeguard its financial stability and position for long-term growth. Specifically, the Group will:

- **Prioritise resilient segments:** Continue to allocate resources towards civil building and municipal works projects, which have demonstrated relative stability.
- **Enhance project risk management:** Strengthen project selection criteria, focusing on clients with stronger credit profiles and projects with better cash flow visibility.
- **Tighten cost discipline:** Maintain strict control over administrative expenses and improve operational efficiency through digitalisation and refined project management.
- **Preserve liquidity:** Manage working capital carefully, accelerate collections on receivables, and maintain constructive relationships with banks to secure financing flexibility.
- **Explore new opportunities:** Assess potential growth areas such as urban renewal, infrastructure upgrades, and green construction initiatives, in line with government policy support.

Although the external environment remains uncertain, the Group believes that its long operating history, established market presence in Hunan Province, and disciplined approach to project management will allow it to weather the current downturn and capture opportunities when market conditions improve.



# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

For 1H2025, the Group recorded revenue of approximately RMB346.6 million, representing a decrease of about 2.8% compared with approximately RMB356.5 million for the 1H2024. The extent of decline has narrowed significantly compared with that in 1H2024, indicating that the business has gradually stabilized after the sharp contraction in the prior year.

### *Construction contracts*

Revenue from construction contracts amounted to approximately RMB345.7 million in 1H2025 (1H2024: approximately RMB354.9 million), breakdown of which as follows:

- **Civil building construction:** approximately RMB204.1 million in 1H2025, representing an increase of approximately 7.2% year-on-year from approximately RMB190.3 million in 1H2024, becoming the main growth driver.
- **Municipal works construction:** approximately RMB103.6 million in 1H2025, representing an increase of approximately 16.8% from approximately RMB88.7 million in 1H2024 attributable to the recovery in infrastructure demand.
- **Prefabricated steel structure works:** approximately RMB13.8 million in 1H2025, representing a decrease of approximately 53.1% from approximately RMB29.4 million in 1H2024, due to fewer new projects awarded.
- **Other specialised contracting works:** approximately RMB20.0 million in 1H2025, representing a decrease of approximately 52.5% from approximately RMB42.1 million in 1H2024 attributable to the weaker demand in renovation and decoration projects.

Overall, civil building and municipal works demonstrated resilience, while prefabricated steel structure and specialised works declined significantly.

### *Provision of construction machinery and equipment*

Our revenue from this sub-segment decreased from approximately RMB1.6 million in 1H2024 to approximately RMB0.8 million in 1H2025.

### Cost of sales

The Group's cost of sales for 1H2025 was approximately RMB307.5 million, representing a decrease of about 3.2% compared with that of approximately RMB317.8 million for 1H2024. The decline was largely in line with the decrease in revenue during the period. The reduction in cost of sales was mainly attributable to lower material costs and subcontracting expenses resulting from the contraction in prefabricated steel structure and other specialised contracting works. Meanwhile, cost levels in civil building and municipal works construction remained relatively stable, reflecting the more resilient demand in these segments. Overall, the decrease in cost of sales, together with effective cost control measures, contributed to the slight improvement in the Group's gross profit margin to approximately 11.3% in 1H2025 from approximately 10.9% in the 1H2024.

### Gross profit and gross profit margin

Gross profit increased slightly to approximately RMB39.1 million in 1H2025 (1H2024: approximately RMB38.7 million), with gross profit margin improving to approximately 11.3% in 1H2025 (1H2024: approximately 10.9%), attributable to a better project mix and enhanced cost management.

# Management Discussion and Analysis

## Other income and other gains, net

Other income and gains, net decreased to approximately RMB0.3 million in 1H2025 (1H2024: approximately RMB0.6 million), mainly due to lower government subsidies.

## Administrative and other expenses

Administrative and other expenses remained stable at approximately RMB34.5 million in 1H2025 (1H2024: approximately RMB34.9 million), reflecting the Group's continued cost discipline.

## Impairment on financial and contract assets, net

Net impairment losses considered stable at approximately RMB24.3 million in 1H2025 (1H2024: approximately RMB28.5 million), as there were no significant changes in the credit risk in 1H2025.

## Finance costs

Finance costs decreased to approximately RMB2.2 million in 1H2025 (1H2024: approximately RMB2.7 million), mainly due to lower average borrowings and partial loan repayments.

## Income tax credit

Our income tax expenses consist principally of enterprise income tax and movements in deferred tax assets. For 1H2024 and 1H2025, our tax credit was approximately RMB4.1 million and approximately RMB2.0 million, respectively. Since 1 January 2018, Hunan Zhongtian Construction Group Corporation\* (湖南中天建設集團股份有限公司) (“**Zhongtian Construction**”), our principal operating subsidiary has been accredited as a High and New Technology Enterprise (高新技術企業) under the relevant PRC laws and regulation and was entitled to a preferential tax treatment of 15%, which is lower than the statutory rate of 25%.

## Net loss

The loss attributable to owners of the Company narrowed to approximately RMB18.4 million in 1H2025 (1H2024: approximately RMB21.6 million), representing approximately 14.6% improvement. The narrowing of losses was mainly attributable to lower impairment charges and finance costs.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our sources of funds are a combination of internal generated funds, bank and other borrowings as well as proceeds from equity fund raising activities. As at 30 June 2025, the capital structure of the Company comprised mainly issued share capital and reserves. During 1H2025, the Group held no treasury shares and did not sell any treasury shares.

As at 30 June 2025, the Group had net current assets of approximately RMB441.4 million (31 December 2024: approximately RMB465.3 million). The Group's current ratio decreased from approximately 1.27 as at 31 December 2024 to approximately 1.24 as at 30 June 2025.

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB40.7 million, representing an increase of approximately 25.0% compared with that of approximately RMB32.5 million as at 31 December 2024. The increase was mainly attributable to improvements in operating cash inflows and tighter control over capital expenditures. Nevertheless, the cash balance remained at a relatively modest level considering the scale of the Group's operations, reflecting the continued pressure on working capital amid the challenging market environment. The Group will continue to strengthen collection of receivables and actively manage contract assets to enhance liquidity.





## Management Discussion and Analysis

As at 30 June 2025, the Group's total interest-bearing borrowings amounted to approximately RMB93.3 million (31 December 2024: approximately RMB113.1 million), representing a decrease of approximately 17.5%. Of this total, approximately RMB92.7 million were classified as current liabilities and approximately RMB0.6 million as non-current liabilities. The reduction in borrowings was mainly due to partial repayment of bank loans during the period. The Group's gearing ratio (calculated as total interest-bearing debt divided by total equity) decreased to approximately 19.5% as at 30 June 2025 (31 December 2024: approximately 23.0%), reflecting both lower indebtedness and management's prudent approach to maintaining a healthy capital structure.

### FUNDING AND TREASURY POLICY

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

### CAPITAL COMMITMENTS

As at 30 June 2025, the Group had approximately RMB14.5 million (31 December 2024: approximately RMB14.5 million) of capital commitments in respect of the acquisition of property, plant and equipment, which will be funded by internal resources of the Group.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 335 employees in the PRC (30 June 2024: 295 employees). The total staff costs incurred by the Group for 1H2025 was approximately RMB10.9 million compared to approximately RMB14.8 million for 1H2024. Our Group's employees may be remunerated by way of fixed salary, hourly wage or on a project-by-project basis, depending on their job nature. Our Group utilises an appraisal system for our employees and considers the appraisal results of individual employees when conducting their salary review and determining the amount of bonuses. Our employees are also entitled to a number of fringe benefits and welfare, including transportation allowance, health care allowance and paid leave. Our Group provides trainings to our employees, which includes induction training which is held by our human resources department, on-board training, and sometimes education opportunities depending on the job function of the employees. Our Group will hold seminars and events occasionally for our employees, in order for them to catch up with market trends.

### SHARE OPTION SCHEME

The share option scheme (the "**Share Option Scheme**") was conditionally adopted by written resolutions of the Company's shareholders passed on 10 March 2023. The principal terms of the Share Option Scheme are summarised in the paragraph headed "Share Option Scheme" in the report of the Directors in the annual report of the Company for the year ended 31 December 2024.

From the Listing Date and up to 30 June 2025, no share option has been granted by the Company. The outstanding number of Share options available for grant under the scheme mandate of the Share Option Scheme is 48,000,000 share options to subscribe for the shares, representing 8.33% and 8.33% of the issued share capital of the Company at the beginning and at the end of 1H2025, respectively, out of which the number of share options available for grant under the service provider sublimit is 4,800,000 shares options to subscribe for the shares, representing 0.83% and 0.83% of the issued share capital of the Company at the beginning and at the end of 1H2025, respectively.

Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during 1H2025 and there was no share which could be issued by exercising the options as there was no outstanding option as at the beginning and as at the end of 1H2025.

# Management Discussion and Analysis

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated 20 March 2023 (the “**Prospectus**”) and the announcement dated 7 June 2024 in relation to placing of new shares under General Mandate (the “**Placing Announcement**”), the Group does not have other future plans for material investments and capital assets as at 30 June 2025. For details, please refer to the paragraphs headed “Use of Proceeds from the Global Offering” and “The Placing and Use of Proceeds” in this announcement.

## CONTINGENT LIABILITIES

Other than a number of lawsuits and claims arising from the normal course of business were lodged against our Group which remained outstanding as at 30 June 2025, the Group had no material contingent liability as at 30 June 2025.

## FOREIGN EXCHANGE RISK

The assets, liabilities and transactions of the Group are principally denominated in RMB. As at 30 June 2025, the Group has not entered into any foreign exchange contracts to hedge against the fluctuation in exchange rates and the Group did not have any foreign currency investments which have been hedged by currency borrowing and other hedging instruments. The Directors consider the impact of foreign exchange exposure to the Group is minimal.

## GEARING RATIO

As at 30 June 2025, the gearing ratio, which is calculated as total interest-bearing debt divided by total equity, is approximately 19.5%. (31 December 2024: approximately 23.0%).

## PLEDGE OF ASSETS

As at 30 June 2025, assets pledged to secure the borrowings of the Group are disclosed in note 15 to the condensed consolidated financial statements.

## PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S SHARES

For 1H2025, there were no purchases, sales or redemption by the Company, or any of its subsidiaries, of the Company's listed securities (including treasury shares). During 1H2025, the Company did not hold any treasury share or sell any treasury share.

# Management Discussion and Analysis

## USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company has been listed on the Stock Exchange since the Listing Date following the completion of the global offering (the “**Global Offering**”) of 120,000,000 new ordinary shares of the Company (the “**Shares**”). The amount of net proceeds from the Global Offering amounted to approximately RMB76.6 million (equivalent to approximately HK\$84.1 million), after deduction of the underwriting commission and other expenses. The Company has applied and will apply the proceeds from the Global Offering in accordance with the purposes as set out in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus, details of utilisation of the proceeds are set out below. The balance of the net proceeds from the Global Offering brought forward at the beginning of 1H2025 was approximately RMB11.5 million.

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

Purpose	Intended use of proceeds RMB' million	Utilised	Net proceeds utilised during 1H2025 RMB' million	Utilised	Unutilised	Estimated timeline for utilising the unutilised net proceeds
		amount as at 31 December 2024 RMB' million		amount as at 30 June 2025 RMB' million	amount as at 30 June 2025 RMB' million	
To fund our upfront expenditure of three projects on hand	38.3	38.3	–	38.3	–	N/A
To acquire and/or replace our construction machinery and equipment	15.3	3.8	–	3.8	11.5	Before December 2025
To fund the establishment and operation of our know-how centre	15.3	15.3	–	15.3	–	N/A
Working capital and general corporate purposes	7.7	7.7	–	7.7	–	N/A
<b>Total</b>	<b>76.6</b>	<b>65.1</b>	<b>–</b>	<b>65.1</b>	<b>11.5</b>	

## SIGNIFICANT INVESTMENTS HELD, AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not hold any significant investments, or have any material acquisitions or disposal of subsidiaries, associates or joint ventures during 1H2025.

## INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for 1H2025 (1H2024: Nil).

## AUDIT COMMITTEE

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

## REVIEW OF INTERIM FINANCIAL RESULTS BY AUDIT COMMITTEE

The unaudited consolidated interim financial information of the Group for 1H2025 and the accounting information given in this announcement has not been audited or reviewed by the external auditor of the Company but has been reviewed by the Audit Committee, which agreed with the accounting treatment adopted by the Company, and was of the opinion that the preparation of such accounting information complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

## Corporate Governance and Other Information

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

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix C3 of the Listing Rules, were as follows:

#### (i) Interest in our Shares

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

Notes:

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

## Corporate Governance and Other Information

### (ii) Interest in our Company's associated corporations

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

#### Notes:

- (1) The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- (2) Our Company has been owned as to approximately 46.35% by ZT (A) as at 30 June 2025. Under the SFO, ZT (A) is an associated corporation of our Company.
- (3) ZT (A) is owned as to approximately 25.24% by Mr. Yang and 3.88% by Ms. Gan Yinghua. Ms. Gan Yinghua is the spouse of Mr. Yang. Mr. Yang is deemed to be interested in all the Shares held by Ms. Gan Yinghua by virtue of the SFO.
- (4) ZT (A) is owned as to approximately 1.30% by Mr. Min and 0.37% by Ms. Yang Bingquan (楊冰泉). Ms. Yang Bingquan is the spouse of Mr. Min. Mr. Min is deemed to be interested in all the Shares held by Ms. Yang Bingquan by virtue of the SFO.
- (5) Zhongtian Construction, a company established in the PRC, is owned as to approximately 99.5% by Hangxiao Materials, which is owned as to approximately 99.99% by Zhaolin Trading, which is an indirect wholly-owned subsidiary of our Company. Under the SFO, Zhongtian Construction is an associated corporation of our Company.
- (6) Kaida Apparatus, a company established in the PRC, is owned as to approximately 56.99% by Zhongtian Construction. Under the SFO, Kaida Apparatus is an associated corporation of our Company.

## Corporate Governance and Other Information

Save as disclosed above, as at 30 June 2025, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2025, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under section 336 of the SFO:

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

Notes:

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

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

### CORPORATE GOVERNANCE PRACTICES

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

Our Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Our Group has adopted the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance during 1H2025. The Board is of the opinion that the Group had complied with all applicable CG Code provisions during 1H2025.



## Corporate Governance and Other Information

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Company, all the Directors have confirmed to the Company that they have fully complied with the required standard set out in the Model Code during 1H2025.

### COMPETING INTERESTS

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

The Board is of the view that, during 1H2025, none of the Directors, controlling shareholder of the Company, Hunan Zhongtian Holdings Group Company Limited\* (湖南中天控股集團股份有限公司) (“**Zhongtian Holdings**”) and their respective close associates had any business or interest that competes or may compete with the business of the Group nor had any other conflicts of interest with the Group and the Board is no aware of any breach in the Deed of Non-competition.

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates (as defined in the Listing Rules) is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business for the six months ended 30 June 2025.

On behalf of the Board

**Mr. Yang Zhongjie**

*Chairman and Executive Director*