Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

— For the six months ended 30 June 2025, the unaudited revenue of the Group was approximately RMB346.6 million, representing a decrease of approximately 2.8% as compared to approximately RMB356.5 million for the corresponding period in 2024.

— The Group's gross profit increased from approximately RMB38.7 million for the six months ended 30 June 2024 to approximately RMB39.1 million, and the gross profit margin also increased from approximately 10.9% for the six months ended 30 June 2024 to approximately 11.3% for the six months ended 30 June 2025.

— The loss attributable to owners of the Company for the six months ended 30 June 2025 was approximately RMB18.4 million (six months ended 30 June 2024: RMB21.6 million).

— For the six months ended 30 June 2025, basic loss per share was approximately RMB3.19 cents (six months ended 30 June 2024: loss per share RMB4.25 cents*).

— The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Zhongtian Construction (Hunan) Group Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (together referred to as the "**Group**" or "**we**") for the six months ended 30 June 2025 (the "**1H2025**") together with the corresponding comparative figures for the six months ended 30 June 2024 ("**1H2024**") as follows:

* restated

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	5	**346,554**	356,507
Cost of sales		**(307,482)**	(317,772)
Gross profit		**39,072**	38,735
Other income and other gains, net	6	**305**	591
Administrative and other expenses		**(34,484)**	(34,936)
Impairment on financial and contract assets, net		**(24,268)**	(28,492)
Finance costs	7	**(2,157)**	(2,741)
Loss before income tax	8	**(21,532)**	(26,843)
Income tax credit	9	**1,999**	4,130
Loss and total comprehensive income for the period		**(19,533)**	(22,713)
Loss and total comprehensive income for the period attributable to:			
Owners of the Company		**(18,397)**	(21,551)
Non-controlling interests		**(1,136)**	(1,162)
		(19,533)	(22,713)
Loss per share attributable to owners of the Company for the period			
Basic and diluted (expressed in RMB cents per share)	11	**(3.19)**	(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)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**14,155**	14,739
Investment properties		**8,792**	8,940
Deferred tax assets		**16,254**	12,523
Intangible assets		**36**	38
		39,237	36,240
Current assets			
Inventories		**139**	978
Trade, bills and other receivables	12	**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
		2,302,921	2,203,394
Current liabilities			
Trade payables	13	**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	14	**92,727**	110,261
Income tax payable		**15,917**	15,987
		1,861,493	1,738,050
Net current assets		**441,428**	465,344
Total assets less current liabilities		**480,665**	501,584

	Notes	**30 June 2025** **RMB'000** **(Unaudited)**	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		**937**	1,121
Borrowings	14	**622**	2,800
		1,559	3,921
NET ASSETS		**479,106**	497,663
EQUITY			
Equity attributable to owners of the Company			
Share capital		**5,132**	5,132
Reserves		**466,468**	485,150
		471,600	490,282
Non-controlling interests		**7,506**	7,381
TOTAL EQUITY		**479,106**	497,663

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 shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 30 March 2023.

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 announcement, the ultimate holding company is ZT (A) Limited, a company incorporated in British Virgin Islands.

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 Hong Kong Financial Reporting Standards ("**HKFRSs**").

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 HKFRSs 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. These unaudited condensed consolidated interim financial statements have not been audited or reviewed by the Company's external auditors, but have been reviewed by the Company's audit committee.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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 2025:

Amendment to HKAS 21	Lack of Exchangeability

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 periods.

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 are domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC during 1H2025 and 1H2024.

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

(b) Information about major customers

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue for 1H2025 and 1H2024, 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*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group during that period.

5. REVENUE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from construction contracts		
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
	345,727	354,872
Revenue from provision of construction machinery and equipment	**827**	1,635
	346,554	356,507

Timing of revenue recognition:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Transferred over time	**346,554**	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	**193,324**	257,348
Hainan	**30,721**	50,168
Jiangxi	**71,798**	15,164
	295,843	322,680
Others	**50,711**	33,827
	346,554	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	**349**	85
Government grants *(Note)*	**8**	507
Gain on disposal of property, plant and equipment	**32**	1
Others	**(84)**	(2)
	305	591

Note:

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

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
	2,157	2,741

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

9. INCOME TAX CREDIT

Provision for the PRC Enterprise Income Tax ("**EIT**") for the periods 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)
PRC Enterprise Income Tax		
Current period	**1,732**	527
Deferred tax	**(3,731)**	(4,657)
	(1,999)	(4,130)

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 1H2025 and 1H2024, 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 1H2025 and 1H2024.

Two subsidiaries of the Company were qualified as small enterprise and are eligible for preferential tax rate for 1H2025 and 1H2024.

10. DIVIDENDS

No dividends were paid or declared by the Company for 1H2025 and 1H2024.

11. 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 per share *(RMB cents)*	**(3.19)**	(4.25)*

Note:

The weighted average number of ordinary shares used to calculate the basic loss per share for the 1H 2025 represented 576,000,000 ordinary shares of the Company during 1H 2025.

The weighted average number of ordinary shares used to calculate the basic loss per share for the 1H 2024 represented 480,000,000 ordinary shares of the Company as at 1 January 2024, and weighted average number of 41,143,000 ordinary shares of the Company issued during 1H2024, 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 loss per share as the Group has no dilutive potential ordinary share outstanding for the 1H 2025 (2024: Same).

* restated

12. TRADE, BILLS AND OTHER RECEIVABLES

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

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

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: RMB33,750,000) ***[ONC: Company to confirm]***.

13. TRADE PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables		
— Third parties	**1,055,899**	945,415
— Related parties	**33,202**	39,891
	1,089,101	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 of the reporting period is as follows:

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

14. BORROWINGS

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current		
— Bank borrowings, secured/guaranteed	**91,152**	55,384
— Bank borrowings, unsecured	**1,182**	54,382
— Other borrowings, secured	**393**	395
	92,727	110,261
Non-current		
— Bank borrowings, secured	**—**	2,800
— Other borrowings, secured	**622**	—
	622	2,800
	93,349	113,061

Bank borrowings were repayable as follows:

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

Other borrowings were repayable as follows:

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

The borrowings were secured by the following assets:

	30 June 2025 *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Property, plant and equipment	**5,019**	5,022
Trade and bills receivables *(note 12)*	**—**	33,750
Investment properties	**8,782**	6,934
Bank deposit	**—**	5,000
Intangible assets	**—**	38

Note:

As at 30 June 2025, the Group's aggregate available unutilised banking facilities amounted to approximately RMB1,058,000 (31 December 2024: approximately RMB11,000,000).

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 RMB73.5 million, which were classified as current liabilities of the Group. Subsequent to the reporting period, the Group had obtained waivers from the banks for the breach of the financial covenants (the "**Waivers**"). The Group did not receive any demand notice for repayment of any bank loans as a result of the aforementioned breach of financial covenants. In the opinion of the directors, based on the Waivers obtained, the Group is no longer in breach of any covenants or cross-default provisions under the Group's loan facility agreements.

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.

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, representing an increase of approximately 7.2% year-on-year from approximately RMB190.3 million, becoming the main growth driver.

- **Municipal works construction**: approximately RMB103.6 million, representing an increase of approximately 16.9% from approximately 88.7 million attributable to the recovery in infrastructure demand.

- **Prefabricated steel structure works**: approximately RMB13.8 million, representing a decrease of approximately 53.1% from approximately RMB29.4 million, due to fewer new projects awarded.

- **Other specialised contracting works**: approximately RMB20.0 million, representing a decrease of approximately 52.5% from approximately RMB42.1 million 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.

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: RMB21.6 million), representing a 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.

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.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 333 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 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 outstanding option as at 30 June 2025.

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, fixed deposits of approximately RMB[•] million (31 December 2024: approximately RMB2.6 million), certain plant and machinery with carrying amount of approximately RMB[•] million (31 December 2024: approximately RMB5.0 million), trade and bills receivables of approximately RMB[•] million arising from provision of construction services (31 December 2024: approximately RMB33.8 million) were pledged as securities for the Group's borrowings.

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).

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$84.1 million), after deduction of the underwriting commission and other expenses. The Company has applied and will apply the proceeds from the Global Offering in accordance with the purposes as set out in the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in the Prospectus, details of utilisation of the proceeds are set out below. The balance of the net proceeds from the Global Offering brought forward at the beginning of 1H2025 was approximately RMB11.5 million. During 1H2025, net proceeds of approximately RMB[•] million (equivalent to approximately HK$[•] million) were used.

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

Purpose	Intended use of proceeds	Utilised amount as at 31 December 2024	Net proceeds utilised during 1H2025	Utilised amount as at 30 June 2025	Unutilised amount as at 30 June 2025	Estimated timeline for utilising the unutilised net proceeds
	RMB' million	*RMB' million*	*RMB' million*	*RMB' million*	*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
Total	76.6	65.1	—	65.1	11.5	

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 does not recommend the payment of an 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 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 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. During 1H2025, our Group has adopted and complied with the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, no less than the requirements under the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during 1H2025.

SIGNIFICANT EVENT AFTER 1H2025

There was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors subsequent to 30 June 2025.

INTERIM REPORT

The interim report for 1H2025 containing all information required by Appendix D2 of the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.ztcon.com in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the period.

By order of the Board
Zhongtian Construction (Hunan) Group Limited
Mr. Yang Zhongjie
Chairman and Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Yang Zhongjie as Chairman of the Board and executive Director; Mr. Liu Xiaohong, Mr. Chen Weiwu, Mr. Min Shixiong as executive Directors; and Dr. Liu Jianlong, Ms. Deng Jianhua and Mr. Lau Kwok Fai Patrick as independent non-executive Directors.

In this announcement, the English names of PRC nationals, entities, departments, facilities, certificates, titles, etc. marked "" are translations of their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.*