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Jianzhong Construction Development Limited

建中建設發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 589)

(1) QUARTERLY UPDATE ON RESUMPTION PROGRESS AND (2) CONTINUED SUSPENSION OF TRADING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Jianzhong Construction Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 27 February 2024, 15 March 2024, 19 March 2024, 25 March 2024, 2 April 2024, 11 April 2024, 18 July 2024, 29 July 2024, 30 August 2024, 18 October 2024, 17 January 2025, 24 January 2025, 26 February 2025, 7 March 2025, 14 March 2025 and 28 March 2025 (the “**Announcements**”) in relation to, among other things, the delay in publication of the 2023 Annual Results, the delay in despatch of the 2023 Annual Report, the delay in publication of the 2024 Interim Results, the delay in despatch of the 2024 Interim Report and the quarterly updates on resumption progress. Terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

RESUMPTION GUIDANCE

As at the date of this announcement, hereinbelow are the consolidated resumption guidance for resumption of trading in the Company’s shares sent by the Stock Exchange to the Company:

- (a) publish all outstanding financial results and address any audit modifications;
- (b) demonstrate the Company’s compliance with Rule 13.24;

- (c) inform the market of all material information for the Company's Shareholders and other investors to appraise the Company's position;
- (d) conduct an appropriate independent investigation into the undisclosed related party transactions and the use of third-party bank accounts and address the auditors' concerns, announce the findings and take appropriate remedial actions;
- (e) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any person with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence; and
- (f) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules.

QUARTERLY UPDATE ON RESUMPTION PROGRESS

The Board wishes to update the Shareholders and potential investors of the Company on the progress of the Company's fulfilment of the Resumption Guidance as at the date of this announcement as summarised below.

(a) publish all outstanding financial results and address any audit modifications

As at the date of this announcement, the 2023 Annual Results, 2024 Interim Results and 2024 Annual Results are still outstanding.

With regards to the 2023 Annual Results and 2024 Annual Results, as the issues outlined in the Announcements of the Company dated 26 February 2025 and 7 March 2025 (the "**Investigation Issues**") are still in the process of investigation, the Auditor will not be able to complete the annual audit of the Company's financial statements and its consolidated results for the year ended 31 December 2023 and the year ended 31 December 2024.

Based on the communication and understanding between the Company and the Auditor, the audit work for the 2023 Annual Results and 2024 Annual Results is expected to be completed by early July 2025, and the 2023 Annual Results and 2024 Annual Results are expected to be published by the end of July 2025, provided that the Investigation will be completed by the end of April 2025. The Company also expects to publish the 2024 Interim Results by the end of July 2025.

Further announcement(s) will be published by the Company to inform the Shareholders and its potential investors of any material development on the aforesaid matters as and when appropriate.

(b) demonstrate the Company's compliance with Rule 13.24

The Group has continued business operations notwithstanding the suspension of trading in the shares of the Company on the Stock Exchange, with an effort to demonstrate its compliance with Rule 13.24 of the Listing Rules.

For the Construction Service Business, in view of the recent economic condition in the PRC, the Group continued to strengthen its liquidity position and to retain more cash to navigate the challenging operating environment. Given the substantial capital demands of the construction services business, coupled with extended trade receivable collection periods and a heightened risk of bad debts, the Group has been taking a conservative, prudent and cautious approach in tendering for new construction projects, ensuring a careful balance between opportunity and risk management.

For the Equipment Operation Service Business, the demand for equipment operation services has experienced a year-on-year adjustment due to the current economic challenges, and the Company conservatively maintains an adequate reserve of equipment, ensuring readiness to provide operational services as and when required. The Company remains cautiously optimistic and continues to pursue opportunities to secure new orders and to drive future growth.

For the Sewage Treatment Service Business, it remained stable with no major fluctuations.

The Board will continue to assess and monitor the impact (if any) of the suspension of trading in the shares of the Company on the operations and financial performance of the Group and take appropriate measures, including publication of announcement(s) in relation to the business operations of the Group, as and when appropriate.

(c) inform the market of all material information for the Company's Shareholders and other investors to appraise the Company's position

The Company will continue to keep its Shareholders and potential investors abreast of any relevant material development by making further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules.

- (d) conduct an appropriate independent investigation into the undisclosed related party transactions and the use of third-party bank accounts and address the auditors' concerns, announce the findings and take appropriate remedial actions**

As at the date of this announcement, the Investigation into the issues of undisclosed related party transactions, the use of third-party bank accounts and the Auditor's concerns is still undergoing. In addition, Independent Investigation Committee is actively identifying other suitable independent professional advisors, including legal adviser(s) and independent internal control consultant(s), to assist in conducting such independent investigation. The Company will publish further announcement(s) to inform the Shareholders of the key findings of the independent investigation as and when appropriate.

- (e) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any person with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence**

As at the date of this announcement, while the Investigation is still yet to be completed, Company has not noticed any issues affecting the Company's judgment on the integrity, competence and/or character of the Group's management. As the Investigation proceeds, the Company will make further assessment on this issue as and when appropriate.

- (f) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules**

As at the date of this announcement, the Independent Investigation Committee is still identifying a suitable independent internal control consultant to conduct the internal control review. Further announcement(s) will be made by the Company as to the engagement of internal control consultant, any significant findings of the Investigation and, where necessary, any recommendation of reinforcement or remedial actions and their implementation status in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 2 April 2024 and will remain suspended until the Company fulfils the Resumption Guidance.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Jianzhong Construction Development Limited
Xun Minghong
*Chairman and chief executive officer and
executive Director*

Fuzhou, the PRC, 8 April 2025

As at the date of this announcement, the Board of the Company comprises Mr. Xun Minghong, Mr. He Wenlin and Ms. Zheng Ping as Executive Directors; Mr. Yang Kaifa, Mr. Wang Wei and Mr. Xun Liangbao as Non-executive Directors; and Ms. Wang Huaping, Mr. Fu Binjie and Mr. Fan Wei as Independent Non-executive Directors.