

*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.*



## **CHANHIGH HOLDINGS LIMITED**

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

**(Stock Code: 2017)**

### **UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	<b>764,497</b>	<b>1,098,008</b>
<b>Gross profit</b>	<b>59,949</b>	<b>62,042</b>
<b>Profit and total comprehensive income for the period</b>	<b>15,530</b>	<b>15,785</b>
<b>Profit/(loss) and total comprehensive income/(loss) for the period attributable to:</b>		
Owners of the Company	<b>15,540</b>	<b>15,697</b>
Non-controlling interests	<b>(10)</b>	<b>88</b>

The board (the “**Board**”) of directors (the “**Directors**”) of Chanhigh Holdings Limited (the “**Company**”), hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 together with the comparative unaudited figures for the six months ended 30 June 2024, as follows:

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

*For the six months ended 30 June 2025*

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	4	<b>764,497</b>	1,098,008
Cost of services rendered		<b>(702,211)</b>	(1,032,391)
Sales related tax and auxiliary charges		<b>(2,337)</b>	(3,575)
<b>Gross profit</b>		<b>59,949</b>	62,042
Other income and gains		<b>11,863</b>	7,773
Administrative and other operating expenses		<b>(30,506)</b>	(31,855)
Provision for impairment loss on trade and other receivables and contract assets, net		<b>(15,632)</b>	(4,523)
<b>Profit from operations</b>		<b>25,674</b>	33,437
Finance costs		<b>(8,971)</b>	(13,209)
Share of profit/(losses) of an associate		<b>302</b>	(1,510)
<b>Profit before income tax</b>		<b>17,005</b>	18,718
Income tax expense	5	<b>(1,475)</b>	(2,933)
<b>Profit and total comprehensive income for the period</b>	6	<b>15,530</b>	15,785
<b>Profit/(loss) and total comprehensive income/(loss) for the period attributable to:</b>			
Owners of the Company		<b>15,540</b>	15,697
Non-controlling interests		<b>(10)</b>	88
		<b>15,530</b>	15,785
<b>Earnings per share attributable to the owners of the Company</b>			
Basic and diluted ( <i>RMB cents per share</i> )	7	<b>2.5</b>	2.5

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		12,262	13,013
Intangible assets		25,052	25,734
Right-of-use assets		320	480
Investment in an associate		31,188	30,886
<b>Total non-current assets</b>		<b>68,822</b>	<b>70,113</b>
<b>Current assets</b>			
Trade and other receivables	8	619,290	371,186
Contract assets		1,093,881	1,158,228
Restricted bank deposits		28,371	117,898
Deposits with initial terms of over three months		116,000	167,000
Bank and cash balances		192,142	272,665
<b>Total current assets</b>		<b>2,049,684</b>	<b>2,086,977</b>
<b>TOTAL ASSETS</b>		<b>2,118,506</b>	<b>2,157,090</b>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	9	5,487	5,487
Reserves		1,008,336	992,796
		<b>1,013,823</b>	<b>998,283</b>
Non-controlling interests		6,136	6,146
<b>Total equity</b>		<b>1,019,959</b>	<b>1,004,429</b>

		<b>Unaudited</b>	<b>Audited</b>
		<b>As at</b>	<b>As at</b>
		<b>30 June</b>	<b>31 December</b>
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		—	203
<b>Total non-current liabilities</b>		—	203
<b>Current liabilities</b>			
Trade and bills payables	10	310,346	385,840
Accruals and other payables		59,560	41,397
Contract liabilities		29,671	39,769
Lease liabilities		395	332
Borrowings		563,700	548,700
Current tax liabilities		134,875	136,420
<b>Total current liabilities</b>		<b>1,098,547</b>	<b>1,152,458</b>
<b>Total liabilities</b>		<b>1,098,547</b>	<b>1,152,661</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,118,506</b>	<b>2,157,090</b>

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 17th and 18th Floors, Cang Hai Industry Building, No. 3388 Cang Hai Road, Yinzhou District, Ningbo City, Zhejiang Province, the People's Republic of China (the "PRC").

The Company is an investment holding company. The principal activities of its subsidiaries are provision of services of municipal work and landscape construction and the related services.

In the opinion of the directors of the Company, as at 30 June 2025, the Peng Family, comprising Mr. Peng Daosheng, Ms. Wang Sufen, Mr. Peng Tianbin and Mr. Peng Yonghui, is the ultimate controlling party of the Company.

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as the applicable disclosures requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These condensed consolidated financial statements should be read in conjunction with the 2024 annual consolidated financial statements. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group's accounting policies and key sources of estimate uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2024.

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has adopted all the new and revised International Financial Reporting Standards issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. They do not have a material effect on the Group's condensed consolidated financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted.

#### 4. REVENUE AND SEGMENT INFORMATION

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

(i) Information about reportable segment profit or loss:

	Landscape construction <i>RMB'000</i> (Unaudited)	Municipal works construction <i>RMB'000</i> (Unaudited)	Building works <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Six months ended 30 June 2025</b>					
External revenue	108,973	353,041	280,713	21,770	764,497
Segment results	<u>8,681</u>	<u>31,169</u>	<u>15,603</u>	<u>4,496</u>	<u>59,949</u>
<b>Six months ended 30 June 2024</b>					
External revenue	34,397	419,452	619,256	24,903	1,098,008
Segment results	<u>6,782</u>	<u>30,521</u>	<u>17,995</u>	<u>6,744</u>	<u>62,042</u>

For the six months ended 30 June 2025 and 2024, all the revenue from construction contracts were recognised over time except for the revenue from agency services of approximately RMB104,000 (six months ended 30 June 2024: Nil) included in "Others" segment that was recognised at a point in time.

(ii) Reconciliation of reportable segment profit or loss:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Total profits of reportable segments</b>	<b>59,949</b>	62,042
Unallocated amounts:		
Interest income	<b>4,926</b>	1,320
Gain on termination of concession rights	—	5,246
Government incentives and awards	<b>1,426</b>	979
Depreciation of property, plant and equipment	<b>(499)</b>	(518)
Depreciation of right-of-use assets	<b>(162)</b>	(162)
Amortisation of intangible assets	<b>(683)</b>	(683)
Finance costs	<b>(8,971)</b>	(13,209)
Operating lease payments	—	(279)
Net exchange loss	<b>(102)</b>	(21)
Staff costs	<b>(11,846)</b>	(19,252)
Research and development expenditure	<b>(8,850)</b>	(86)
Provision for impairment loss on trade and other receivables and contracts assets, net	<b>(15,632)</b>	(4,523)
Others	<b>(2,551)</b>	(12,136)
	<hr/>	<hr/>
Profit before income tax	<b>17,005</b>	18,718
	<hr/>	<hr/>

Segment assets and liabilities of the Group are not reported to the directors regularly. As a result, reportable segment assets and liabilities have not been presented in these condensed consolidated financial statements.

(iii) Geographical information

The Group's operations are located in the PRC. All of the Group's revenue are generated in the PRC.

- (iv) The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Receivables, which are included in “Trade and other receivables” ( <i>Note 8</i> )	186,537	178,028
Contract assets	1,093,881	1,158,228
Contract liabilities	29,671	39,769

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. Payment for maintenance services is not due from the customer until the maintenance services are complete and therefore a contract asset is recognised over the period in which the maintenance services are performed to represent the Group’s right to consideration for the services transferred to date.

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

The amount of approximately RMB18,588,000 in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB62,199,000).



## 5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax — PRC EIT		
— Provision for the period	3,063	2,933
— Over-provision in prior years	(1,588)	—
	<u>1,475</u>	<u>2,933</u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the six months ended 30 June 2025 and 2024.

PRC Enterprise Income Tax (“**PRC EIT**”) has been provided at a rate of 25% for the six months ended 30 June 2025 and 2024.

For the six months ended 30 June 2025 and 2024, one of the subsidiaries of the Company, 浙江展海實業有限公司 (Zhejiang Zhanhai Industrial Company Limited) (“**Zhejiang Zhanhai**”), is qualified as a small and low-profit enterprise in the PRC. Zhejiang Zhanhai is assessed the PRC EIT on the following basis: if its annual taxable income is less than RMB1,000,000, the applicable EIT rate determined by the relevant authority is 5% (six months ended 30 June 2024: 5%); if its annual taxable income is more than RMB1,000,000 but less than RMB3,000,000, the applicable EIT rate is 10% (six months ended 30 June 2024: 10%).

One of the subsidiaries of the Company established in the PRC, 浙江滄海建設有限公司 (Zhejiang Chanhgh Construction Limited) (“**Chanhgh Construction**”) obtained the qualification of High and New Technology Enterprise with a validation period of three years starting from 2023 (six months ended 30 June 2024: three years starting from 2023). The applicable income tax rate for Chanhgh Construction is 15% for the six months ended 30 June 2025 (six months ended 30 June 2024: 15%).

## 6. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

The Group's profit and total comprehensive income for the period is arrived at after charging the following:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Auditor's remuneration	428	350
Amortisation of intangible assets	683	683
Cost of services rendered	702,211	1,032,391
Depreciation of property, plant and equipment	499	518
Depreciation of right-of-use assets	162	162
Research and development expenditure	8,850	86
Net exchange loss	102	21
Provision for impairment loss on trade and other receivables and contract assets, net	15,632	4,523
Staff costs (including directors' emoluments)	15,237	20,830
Operating lease payments	41,629	172,115

Cost of services rendered includes direct labour costs and operating lease payments of approximately RMB236,729,000 (six months ended 30 June 2024: RMB333,290,000) and RMB41,629,000 (six months ended 30 June 2024: RMB171,836,000) respectively for the six months ended 30 June 2025.

## 7. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit attributable to the owners of the Company	15,540	15,697
<b>Number of shares</b>		
Weighted average number of ordinary shares ( <i>in thousand</i> )	618,502	618,502
<b>Earnings per share (<i>RMB cents</i>)</b>	2.5	2.5

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted earnings per share are the same. As at 30 June 2025 and 2024, the Company had no dilutive potential ordinary shares.

## 8. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
<b>Trade receivables, retention receivables and bills receivables</b>		
Trade receivables	225,732	214,407
Loss allowance	<u>(85,305)</u>	<u>(88,723)</u>
	<u>140,427</u>	<u>125,684</u>
Retention receivables	45,144	52,630
Loss allowance	<u>(286)</u>	<u>(286)</u>
	<u>44,858</u>	<u>52,344</u>
Bills receivables	3,838	2,586
Loss allowance	<u>(2,586)</u>	<u>(2,586)</u>
	<u>1,252</u>	<u>—</u>
	<u>186,537</u>	<u>178,028</u>
<b>Other receivables</b>		
Construction contracts performance guarantees and deposits for tender	280,857	56,712
Amount due from an associate	23,785	20,379
Others	<u>69,333</u>	<u>55,542</u>
	373,975	132,633
Loss allowance	<u>(16,455)</u>	<u>(16,455)</u>
	<u>357,520</u>	<u>116,178</u>
<b>Prepayments and deposits</b>		
Advance to suppliers and other prepayments	75,135	76,882
Rental deposits	<u>98</u>	<u>98</u>
	<u>75,233</u>	<u>76,980</u>
<b>Total</b>	<u>619,290</u>	<u>371,186</u>

Trade receivables, retention receivables and bills receivables represented the construction contracts and rendering of services receivables from the customers at each of the reporting dates. The Group's trading terms with its customers are mainly based on the contract terms. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by the directors of the Company.

The aging analysis of the Group's trade receivables, based on the contract terms for the works certified, net of loss allowance, is as follows:

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
0 to 90 days	38,466	41,844
91 to 180 days	33,006	14,753
181 to 365 days	11,062	2,818
Over 1 year but less than 2 years	—	9,620
Over 2 years but less than 3 years	9,457	10,823
Over 3 years	48,436	45,826
	<u>140,427</u>	<u>125,684</u>

The aging analysis of the Group's retention receivables, net of loss allowance, is as follows:

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Not yet due	25,420	37,697
Within 1 year	8,920	3,558
Over 1 year but less than 2 years	3,640	2,205
Over 2 years but less than 3 years	6,878	8,884
	<u>44,858</u>	<u>52,344</u>

## 9. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000	RMB'000
<b>Authorised:</b>			
Ordinary shares of HK\$0.01 per share:			
At 1 January 2024 (audited),			
31 December 2024 (audited),			
1 January 2025 (audited) and			
30 June 2025 (unaudited)	2,000,000	20,000	17,733
<b>Issued and fully paid:</b>			
Ordinary shares of HK\$0.01 per share:			
At 1 January 2024 (audited),			
31 December 2024 (audited),			
1 January 2025 (audited) and			
30 June 2025 (unaudited)	618,502	6,185	5,487

## 10. TRADE AND BILLS PAYABLES

The aging analysis of trade and bills payables, based on the date of receipt of goods and services, is as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
0 to 90 days	21,671	60,002
91 to 180 days	31,112	25,900
181 to 365 days	33,938	83,419
Over 1 year but less than 2 years	68,285	74,766
Over 2 years but less than 3 years	48,251	43,015
Over 3 years	107,089	98,738
	<b>310,346</b>	<b>385,840</b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY AND BUSINESS REVIEW**

In the first half of 2025, the global economy showed a recovery trend, but growth momentum remained divergent. Geopolitical conflicts and policy adjustments in major economies brought uncertainties. Domestically, macroeconomic policies continued to exert force, focusing on expanding domestic demand, optimizing structures, and boosting confidence, so as to promote the economy to achieve effective improvement in quality and reasonable growth in quantity. The real estate market gradually stabilized amid in-depth adjustments, but pressures from investment and inventory remained. Against this backdrop, infrastructure construction, especially key national areas such as water conservancy and transportation, continued to play a crucial role in stabilizing growth and benefiting people's livelihood, providing important support for the construction industry.

#### **I. The construction industry advances steadily with continuous structural optimization**

According to data from the National Bureau of Statistics, in the first half of 2025, the total output value of the national construction industry was approximately RMB13.67 trillion, a year-on-year decrease of 1.13%; the construction area of housing buildings in the national construction industry was about 9.459 billion square meters, a year-on-year decrease of 14.32%; the cumulative year-on-year growth of fixed-asset investment was 2.8%. By industry, investment in the tertiary industry reached RMB15.55 trillion, a decrease of 1.1%. Among them, investment in infrastructure (excluding the production and supply of electricity, heat, gas, and water) increased by 4.6% year-on-year. The overall growth rate of the industry slowed down but remained basically stable.

By sector, investment in water conservancy management maintained a strong momentum, with a year-on-year growth of 15.4%, continuing to significantly outpace overall investment growth and becoming the core engine for stabilizing the growth of the construction industry. Investment in new infrastructure such as clean energy and data centers also showed impressive growth rates.

#### **II. Expectations gradually recover, and industry vitality tends to be restored**

In the first half of 2025, the business activity index of the construction industry showed a fluctuating downward trend. In July, the business activity index of the construction industry dropped to 50.6%, a decrease of 2.2 percentage points from the previous month, but it remained above the critical point. It is worth noting that the new orders index was 45.7%, down 0.9 percentage points from the previous month; the new orders index of the construction industry was 42.7%, down 2.2 percentage points from the previous month; the input price index of the construction industry was 54.5%, up 6.2 percentage points from the previous month; the sales price index was 47.9%, down 0.9 percentage points from the previous month; the sales price index of the construction industry was 49.2%, up 0.9 percentage points from the previous month; the sales price index of the service industry was 47.7%, down 1.2

percentage points from the previous month; the employment index was 45.6%, up 0.1 percentage points from the previous month; the employment index of the construction industry was 40.9%, up 1.0 percentage point from the previous month; from the perspective of market expectations, the business activity expectation index of the construction industry was 51.6%, down 2.3 percentage points from the previous month.

The above data shows that although there is still pressure from the decline in orders and the employment index, and the business activity expectation index has further declined, the input price index and sales price index have stabilized, and enterprises in the construction industry remain confident in the market development in the second half of the year. Experts analyze that with the implementation of policies to stabilize growth and the weakening of climate impacts, production and operation activities in the construction industry are gradually regaining vitality, and the industry as a whole is in a critical stage of recovery, transformation, and upgrading.

### **III. Deepened digital and intelligent transformation, with water conservancy infrastructure leading a new growth pattern**

The country continues to advance the construction of a digital China, and the digital transformation of the construction industry (including BIM, smart construction sites, and construction industrialization) has entered a stage of large-scale application and in-depth integration. Relevant policy documents issued at the beginning of 2025 further emphasized empowering the upgrading of traditional industries through digitalization and intelligentization, injecting strong impetus into the innovative development of the construction industry. As a key support for the national water network backbone projects and major strategies, water conservancy infrastructure construction continues to maintain high-intensity investment. In the first half of 2025, the national investment in water conservancy construction completed reached RMB532.9 billion, with 34,400 various water conservancy projects implemented and 18,800 new water conservancy projects started. Among them, 14 major water conservancy projects were newly initiated, such as the regulation of the Qinghai section of the main stream of the Yellow River and the regulation of the Zhangwei New River. Water conservancy construction has created 1.422 million jobs. The Ministry of Water Resources stated that it will continue to focus on major projects such as the construction of the national water network, river basin flood control projects, and water resource allocation to provide solid water security guarantees for promoting high-quality development.

In the first half of 2025, the revenue of the Group was approximately RMB764.5 million, representing a decrease of 30.4% when compared with the same period of 2024, the sources of business revenue were from: 1) landscaping construction, 2) municipal works construction, 3) building works and 4) others, which represented 14.3%, 46.2%, 36.7% and 2.8% in the total revenue of the Group for the six months ended 30 June 2025.

In the first half of 2025, the Group newly obtained one invention patent. It continued to deepen industry-university-research cooperation, and the third postdoctoral fellow at the enterprise's postdoctoral workstation completed the proposal and entered the station, further enhancing technical reserves. In terms of awards and honors, the Group and its projects won two "Ningbo Municipal Quality Engineering" awards, were rated as Hangzhou Landscape Greening Demonstration Projects, won the second prize in the 2025 "Ningbo Construction Cup" Excellent Quality Management Topic, and two teams were listed among the excellent quality management groups in the municipal industry of Zhejiang Province.

## **PROSPECTS**

Looking ahead to the second half of 2025, although the external environment remains complex and severe, the fundamentals of China's economy maintaining long-term positive growth have not changed, and the coordinated efforts of macro policies will further consolidate the foundation for economic recovery and improvement. As a pillar industry of the national economy, the construction industry undertakes important missions in promoting new urbanization, comprehensive rural revitalization, and the development of new productive forces.

At the industry level, infrastructure investment, especially in national strategic areas such as water conservancy, transportation, new energy, and new infrastructure, will continue to be an important tool for stabilizing growth, and the intensity of relevant investment is expected to remain strong. The digital and intelligent transformation of the construction industry will deepen from "point-like" applications to "area-wide" integration and ecological construction, and intelligent construction and green low-carbon buildings will become core competitiveness. The real estate market is expected to further bottom out and stabilize under policy optimization and adjustments, and its drag on the construction industry is expected to weaken.

As an important guarantee for national security and modernization, the strategic position of water conservancy construction will only be strengthened rather than weakened. The construction of the main framework and arteries of the national water network will be accelerated, and major projects such as water diversion, flood control and disaster reduction, and the modernization of irrigation areas will continue to be implemented. The scale of investment in water conservancy is expected to hit a new high, providing a broad market space for construction enterprises.



In the future, the Group will unswervingly implement the national development strategy and closely follow policy guidance: consolidate the basic market by deeply cultivating the garden, municipal, and traditional construction engineering markets to ensure stable business development; seize new opportunities by focusing on cultivating water conservancy and hydropower business as a strategic growth pole, increasing resource input, and striving for greater breakthroughs in major projects; strengthen technological drive by continuously increasing research and development and application in areas such as intelligent construction, BIM technology, and green low-carbon technology to enhance the contribution of the technology sector and create differentiated competitive advantages; embrace “construction +” by actively exploring new models and formats of integrated development of construction with digitalization, greenization, and industrialization to expand business boundaries.

The Group will uphold its original aspiration, take scientific and technological innovation as the guide, take water conservancy construction as a breakthrough, and aim for high-quality development. It will forge ahead in a complex environment, firmly grasp the general principle of “progress while maintaining stability”, embrace changes, and work hard to lay a solid foundation for achieving annual goals and long-term development, contribute new forces to industry progress and national construction, and strive to write a new chapter of high-quality development!

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group decreased by 30.4% or RMB333.5 million from RMB1,098.0 million for the six months ended 30 June 2024 to RMB764.5 million for the six months ended 30 June 2025. This was attributable to the fact that as compared with the same period of last year, for the six months ended 30 June 2025, the revenue contributed by municipal works construction segment and building works segment decreased by RMB66.4 million and RMB338.5 million respectively, even though the revenue contributed by landscape construction segment increased by RMB74.6 million.

The revenue recognised during the period for projects completed during the six months ended 30 June 2025 and in progress as at the end of the six months ended 30 June 2025 as compared with that of the previous corresponding period is tabulated as follows:

Business segments	Revenue <i>RMB'000</i> (Unaudited)	For the six months ended 30 June 2025		Revenue <i>RMB'000</i> (Unaudited)	2024	
		No. of projects completed during the period	No. of projects in progress as at the period end		No. of projects completed during the period	No. of projects in progress as at the period end
Landscape construction	108,973	3	25	34,397	11	26
Municipal works construction	353,041	23	89	419,452	29	83
Building works	280,713	5	22	619,256	2	24
Others	21,770	7	25	24,903	11	34
<b>Total</b>	<b>764,497</b>	<b>38</b>	<b>161</b>	<b>1,098,008</b>	<b>53</b>	<b>167</b>

#### Landscape construction

The Group recorded an increase in revenue from the landscape construction segment, from RMB34.4 million for the six months ended 30 June 2024 to RMB109.0 million for the six months ended 30 June 2025, representing an increase of 216.8% or RMB74.6 million. This was mainly due to increase in average contract sum of landscape construction projects for the six months ended 30 June 2025 as compared with that of the previous corresponding period.

#### Municipal works construction

The Group recorded a decrease in revenue from the municipal works construction segment, from RMB419.5 million for the six months ended 30 June 2024 to RMB353.0 million for the six months ended 30 June 2025, representing a decrease of 15.8% or RMB66.5 million. This was mainly due to the fact that certain projects of the previous corresponding period were in full-speed construction phase and generated more progress revenue, and for the six months ended 30 June 2025, some significant projects were in initial construction phase and generated less revenue.

## **Building works**

The Group recorded a decrease in revenue from the building works segment, from RMB619.3 million for the six months ended 30 June 2024 to RMB280.7 million for the six months ended 30 June 2025, representing a decrease of 54.7% or RMB338.6 million. This was mainly due to decrease in average contract sum of building works projects during the six months ended 30 June 2025 as compared with that of the previous corresponding period. Due to downturn of Chinese real estate market, the contraction of real estate development scale led to decrease in building construction business.

## **Others**

The Group recorded a decrease in revenue from the others segment, from RMB24.9 million for the six months ended 30 June 2024 to RMB21.8 million for the six months ended 30 June 2025, representing a decrease of 12.4% or RMB3.1 million. This was mainly due to decrease in number of projects during the six months ended 30 June 2025 as compared with that of the previous corresponding period.

## **Cost of services rendered**

Cost of services rendered decreased by 32.0% or RMB330.2 million from RMB1,032.4 million for the six months ended 30 June 2024 to RMB702.2 million for the six months ended 30 June 2025. Generally, the fluctuation in cost of services rendered was in line with the fluctuation in revenue for the period.

## **Gross profit and gross profit margin**

The Group's gross profit decreased by 3.4% or RMB2.1 million from RMB62.0 million for the six months ended 30 June 2024 to RMB59.9 million for the six months ended 30 June 2025. Gross profit margin of the Group for the six months ended 30 June 2025 and 2024 was 7.8% and 5.7% respectively. The increase in gross profit margin was mainly due to the fact that the proportion of revenue contributed by the building works segment to total revenue decreased from 56.4% for the six months ended 30 June 2024 to 36.7% for the six months ended 30 June 2025. The gross profit margin of building works segment was relatively lower than that of other segments.

## **Administrative and other operating expenses**

The Group's administrative expenses slightly decreased by 4.4% or RMB1.4 million from RMB31.9 million for the six months ended 30 June 2024 to RMB30.5 million for the six months ended 30 June 2025.

## Finance costs

The Group's finance costs decreased by 31.8% or RMB4.2 million from RMB13.2 million for the six months ended 30 June 2024 to RMB9.0 million for the six months ended 30 June 2025. The decrease was mainly because in respect of a public and private partnership project in Hanzhou, the interest expense amounting to RMB2.1 million of the project loan was charged to profit and loss for the six months ended 30 June 2024, and there was no such interest expense incurred for the six months ended 30 June 2025 as the underlying project was acquired by the relevant public party in 2024. The overall decrease in market interest rate during the period also lowered the interest expense.

## Income tax expense

The Group's income tax expense decreased by RMB1.4 million from RMB2.9 million for the six months ended 30 June 2024 to RMB1.5 million for the six months ended 30 June 2025. The decrease was mainly due to reversal of over-provision in prior years.

## LIQUIDITY AND CAPITAL RESOURCES

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Cash and cash equivalents ( <i>RMB'000</i> )	192,142	272,665
Current ratio	1.9	1.8
Gearing ratio	0.6	0.5

As at 30 June 2025, the Group's current ratio (based on the total current assets as at the respective period ends divided by the total current liabilities as at the respective period ends) was 1.9.

As at 30 June 2025, the Group's gearing ratio (based on the total debt as at the respective period ends divided by total equity as at the respective period ends) was 0.6.

## CAPITAL EXPENDITURES AND COMMITMENTS

### Capital expenditures

For the six months ended 30 June 2025, the Group did not have significant capital expenditures.

### Capital commitments

As at 30 June 2025, the Group had no significant capital commitment.

## INDEBTEDNESS

### Borrowings

The following table sets forth the Group's total debts as at the dates indicated:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Bank borrowings	<u>563,700</u>	<u>548,700</u>

The average interest rates for bank loans as at 30 June 2025 were 3.36% per annum.

Except as disclosed above, as at 30 June 2025, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance leases or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities.

## USE OF NET PROCEEDS FROM THE LISTING

In line with the change in use of net proceeds as described in the Company's announcement dated 8 December 2017, the following table sets forth the Group's use of net proceeds up to the date of this announcement:

	Adjusted allocation of use of proceeds (HK\$ million)	Utilised amount up to the date of this announcement (HK\$ million)	Remaining amount as at the date of this announcement (HK\$ million)
Acquisition of construction companies possessing qualification and certificates in municipal projects, including but not limited to highway projects and water projects	195.8	120.2 <sup>(Note 1)</sup>	75.6
Acquisition of or strategic investment in design firm(s) in the Yangtze River Delta possessing qualification in architecture related design	91.4	7.5 <sup>(Note 2)</sup>	83.9
Acquisition or establishment of a new inspection centre accredited with the qualification(s) to carry out inspection, analysis and testing on the incoming materials to be used for construction, and/or inspection and supervision of construction works	7.9	—	7.9
General working capital	20.2	20.2	—
<b>Total</b>	<b>315.3</b>	<b>147.9</b>	<b>167.4</b>

Notes:

1. The Group acquired several construction licenses including a First-Grade General Contractor for Water Works and Hydropower Project qualification (水利水電工程施工總承包壹級資質), a Second-Grade General Contractor for Highway Construction Projects qualification (公路工程施工總承包貳級) along with a Second-Grade General Contractor for Water Supply and Drainage and Electrical Projects qualification (水利水電工程施工總承包貳級) and a First-Grade General Contractor for Housing Construction Projects qualification (建築工程施工總承包壹級) in the PRC at a consideration of RMB76,000,000, RMB13,600,000 and RMB13,500,000 respectively, totaling RMB103.1 million (HK\$120.2 million).
2. The Group acquired an A-Grade Landscape Construction Design qualification license (風景園林工程設計專項甲級資質) with a total consideration of RMB6.7 million (HK\$7.5 million).

The remaining net proceeds of approximately HK\$167.4 million are currently held in bank deposits and it is intended to apply in the manner consistent with the proposed allocation in the Company's announcement dated 8 December 2017. These remaining net proceeds are expected to be utilised by the end of 2027.

## **INTERIM DIVIDENDS**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

## **CORPORATE GOVERNANCE HIGHLIGHTS**

The Company is committed to achieving and maintaining high standards of corporate governance. The Board believes that effective corporate governance and disclosure practices are not only crucial to the enhancement of the Company's accountability and transparency and investors' confidence, but also critical to the Group's long-term success. The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code on corporate governance.

The Company has complied with the code provisions set out in the CG Code for the six months ended 30 June 2025, except that chairman of the Board, Mr. Peng Tianbin, did not attend the annual general meeting on 26 June 2025 due to other business engagements.

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 30 June 2025, the Group had 319 full-time employees. Total employee benefits expense incurred for the six months ended 30 June 2025 amounted to RMB15.2 million. The remuneration committee of the Company, comprising two independent non-executive Directors, namely Mr. Yang Zhongkai and Mr. Shi Weixing and one executive Director, namely Mr. Peng Tianbin was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices. The emolument policy of the Group would also make reference to the comparable market practices with reference to the qualifications of the employees.

The Company has not adopted any share option scheme.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

For the six months ended 30 June 2025, none of the Company or any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiries to all Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 June 2025.

## **REVIEW OF INTERIM RESULTS**

The audit committee (the “**Audit Committee**”) of the Company comprising all the independent non-executive Directors, namely Mr. Chan Lap Ip, Mr. Shi Weixing and Mr. Yang Zhongkai, has reviewed the financial reporting processes, risk management and internal control systems and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025. The Audit Committee is of the opinion that these unaudited condensed consolidated financial statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the website of the Company at [www.chanhigh.com.hk](http://www.chanhigh.com.hk). The Company's interim report for the six months ended 30 June 2025 will be despatched to shareholders of the Company and published on the aforementioned websites in due course.



## APPRECIATION

The Board would like to take this opportunity to express its gratitude to our customers and shareholders for their continuing support as well as our employees for their dedication and contribution.

By order of the Board  
**Chanhigh Holdings Limited**  
**Peng Tianbin**  
*Chairman and Executive Director*

Hong Kong, 27 August 2025

*As at the date of this announcement, the Board consists of Mr. Peng Tianbin, Mr. Peng Yonghui and Mr. Peng Daosheng as executive Directors; Ms. Wang Sufen as non-executive Director; and Mr. Chan Lap Ip, Mr. Shi Weixing and Mr. Yang Zhongkai as independent non-executive Directors.*

\* *For identification purpose only*