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 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**427,351**	764,497
Gross profit	**45,582**	59,949
Profit and total comprehensive income for the period	**7,993**	15,530
Profit/(loss) and total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	**8,001**	15,540
Non-controlling interests	**(8)**	(10)

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 2026 together with the comparative unaudited figures for the six months ended 30 June 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

		Unaudited Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	4	**427,351**	764,497
Cost of services rendered		**(380,674)**	(702,211)
Sales related tax and auxiliary charges		**(1,095)**	(2,337)
Gross profit		**45,582**	59,949
Other income, other gains and losses		**7,778**	11,863
Administrative and other operating expenses		**(22,193)**	(30,506)
Provision for impairment loss, net		**(17,524)**	(15,632)
Profit from operations		**13,643**	25,674
Finance costs		**(9,396)**	(8,971)
Share of (losses)/profits of an associate		**(1,172)**	302
Profit before income tax		**3,075**	17,005
Income tax credit/(expense)	5	**4,918**	(1,475)
Profit and total comprehensive income for the period	6	**7,993**	15,530
Profit/(loss) and total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		**8,001**	15,540
Non-controlling interests		**(8)**	(10)
		7,993	15,530
Earnings per share			
Basic and diluted *(RMB cents per share)*	7	**1.3**	2.5

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**11,276**	11,765
Intangible assets		**23,688**	24,369
Right-of-use assets		**12**	166
Investment in an associate		**29,154**	30,326
Total non-current assets		**64,130**	66,626
Current assets			
Trade and other receivables	8	**459,559**	422,138
Contract assets		**1,011,004**	1,100,284
Restricted bank deposits		**247,592**	298,896
Deposits with initial terms of over three months		**68,000**	100,000
Bank and cash balances		**210,666**	194,579
Total current assets		**1,996,821**	2,115,897
Total assets		**2,060,951**	2,182,523
EQUITY			
Equity attributable to the owners of the Company			
Share capital	9	**5,487**	5,487
Reserves		**1,013,359**	1,005,810
		1,018,846	1,011,297
Non-controlling interests		**6,167**	6,175
Total equity		**1,025,013**	1,017,472

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
LIABILITIES			
Current liabilities			
Trade and bills payables	10	**274,333**	358,311
Accruals and other payables		**44,698**	32,616
Contract liabilities		**58,874**	85,052
Lease liabilities		**24**	200
Borrowings		**538,700**	562,490
Current tax liabilities		**119,309**	126,382
Total current liabilities		**1,035,938**	1,165,051
Total liabilities		**1,035,938**	1,165,051
Total equity and liabilities		**2,060,951**	2,182,523

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 2026, 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 have been prepared under the historical cost convention.

These condensed consolidated financial statements should be read in conjunction with the 2025 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 2025.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The Group has adopted all the amendments to IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. 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 2026 and earlier application is permitted. The Group has not yet early adopted these new standards and amendments.

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 *RMB'000* (Unaudited)	Municipal works construction *RMB'000* (Unaudited)	Building works *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Six months ended 30 June 2026					
External revenue	**69,525**	**285,719**	**60,661**	**11,446**	**427,351**
Segment results	**11,157**	**29,259**	**3,330**	**1,836**	**45,582**
Six months ended 30 June 2025					
External revenue	108,973	353,041	280,713	21,770	764,497
Segment results	8,681	31,169	15,603	4,496	59,949

For the six months ended 30 June 2026 and 2025, all the revenue from construction contracts were recognised over time except for the revenue from agency services of approximately RMB362,000 (six months ended 30 June 2025: RMB104,000) 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Total profits of reportable segments	**45,582**	59,949
Unallocated amounts:		
Interest income	**2,340**	4,926
Government incentives and awards	**593**	1,426
Loss on disposal of a subsidiary	**(246)**	—
Depreciation of property, plant and equipment	**(482)**	(499)
Depreciation of right-of-use assets	**(148)**	(162)
Amortisation of intangible assets	**(683)**	(683)
Finance costs	**(9,396)**	(8,971)
Operating lease payments	**(55)**	—
Net exchange gain/(loss)	**273**	(102)
Staff costs	**(12,715)**	(11,846)
Research and development expenditure	**(1,166)**	(8,850)
Provision for impairment loss, net	**(17,524)**	(15,632)
Others	**(3,298)**	(2,551)
Profit before income tax	**3,075**	17,005

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:

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Receivables, which are included in "Trade and other receivables" *(Note 8)*	**459,559**	422,138
Contract assets	**1,011,004**	1,100,284
Contract liabilities	**58,874**	85,052

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 RMB45,219,000 in contract liabilities at the beginning of the period has been recognised as revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB18,588,000).

5. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax — PRC EIT		
— Provision for the period	**2,301**	3,063
— Over-provision in prior years	**(7,219)**	(1,588)
	(4,918)	1,475

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the six months ended 30 June 2026 and 2025.

PRC Enterprise Income Tax ("**PRC EIT**") has been provided at a rate of 25% for the six months ended 30 June 2026 and 2025.

For the six months ended 30 June 2025, one of the subsidiaries of the Company, 浙江展海實業有限公司 (Zhejiang Zhanhai Industrial Company Limited) ("**Zhejiang Zhanhai**"), was qualified as a small and low-profit enterprise in the PRC. Zhejiang Zhanhai was 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 was 5%; if its annual taxable income is more than RMB1,000,000 but less than RMB3,000,000, the applicable EIT rate was 10%. Zhejiang Zhanhai was disposed to an independent third party on 3 February 2026 and no such preferential tax was enjoyed by the Group thereafter.

One of the subsidiaries of the Company established in the PRC, 浙江滄海建設有限公司 (Zhejiang Chanhigh Construction Limited) ("**Chanhigh Construction**") obtained the qualification of High and New Technology Enterprise with a validation period of three years starting from December 2023 (six months ended 30 June 2025: three years starting from December 2023). The applicable income tax rate for Chanhigh Construction is 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 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/(crediting) the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Auditor's remuneration	**352**	428
Amortisation of intangible assets	**683**	683
Cost of services rendered	**380,674**	702,211
Depreciation of property, plant and equipment	**482**	499
Depreciation of right-of-use assets	**148**	162
Research and development expenditure	**1,166**	8,850
Net exchange (gain)/loss	**(273)**	102
Provision for impairment loss, net	**17,524**	15,632
Staff costs (including directors' emoluments)	**14,803**	15,237
Operating lease payments	**29,412**	41,629

Cost of services rendered includes direct labour costs and operating lease payments of approximately RMB127,170,000 (six months ended 30 June 2025: RMB236,729,000) and RMB29,357,000 (six months ended 30 June 2025: RMB41,629,000) respectively for the six months ended 30 June 2026.

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to the owners of the Company	**8,001**	15,540
Number of shares		
Weighted average number of ordinary shares *(in thousand)*	**618,502**	618,502
Earnings per share *(RMB cents)*	**1.3**	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 2026 and 2025, the Company had no dilutive potential ordinary shares.

8. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 *RMB'000* (Unaudited)	At 31 December 2025 *RMB'000* (Audited)
Trade receivables, retention receivables and bills receivables		
Trade receivables	**185,116**	210,175
Loss allowance	**(76,833)**	(71,449)
	108,283	138,726
Retention receivables	**56,397**	58,461
Loss allowance	**(10,881)**	(10,881)
	45,516	47,580
Bills receivables	**2,986**	6,376
Loss allowance	**(2,586)**	(2,586)
	400	3,790
	154,199	190,096
Other receivables		
Construction contracts performance guarantees and deposits for tender	**170,388**	42,024
Amount due from an associate	**23,182**	28,377
Others	**51,619**	49,973
	245,189	120,374
Loss allowance	**(17,578)**	(17,674)
	227,611	102,700
Prepayments and deposits		
Advance to suppliers and other prepayments	**77,658**	129,246
Rental deposits	**91**	96
	77,749	129,342
Total	**459,559**	422,138

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 trade receivables, based on the contract terms for the works certified, net of loss allowance, is as follows:

	At 30 June 2026 ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
0–90 days	**8,668**	35,667
91–180 days	**8,974**	2,597
181–365 days	**27,981**	36,119
Over 1 year but less than 2 years	**15,720**	5,600
Over 2 years but less than 3 years	**2,177**	7,817
Over 3 years	**44,763**	50,926
	108,283	138,726

The aging analysis of retention receivables, net of loss allowance, is as follows:

	At 30 June 2026 ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Not yet due	**10,562**	18,553
Within 1 year	**19,498**	24,783
Over 1 year but less than 2 years	**4,014**	2,385
Over 2 years but less than 3 years	**11,442**	1,859
	45,516	47,580

9. SHARE CAPITAL

	Number of shares	Amount	
	'000	*HK$'000*	*RMB'000*
Authorised:			
Ordinary shares of HK$0.01 per share:			
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	2,000,000	20,000	17,733
Issued and fully paid:			
Ordinary shares of HK$0.01 per share:			
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (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 2026	At 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 90 days	**18,351**	56,767
91 to 180 days	**17,826**	48,670
181 to 365 days	**35,283**	26,307
Over 1 year but less than 2 years	**33,813**	69,385
Over 2 years but less than 3 years	**30,655**	31,688
Over 3 years	**138,405**	125,494
	274,333	358,311

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND BUSINESS REVIEW

In the first half of 2026, China implemented stable and progressive macroeconomic policies to expand domestic demand, optimise economic structure and boost market confidence, achieving both qualitative improvement and reasonable quantitative growth for the economy. The domestic real estate market continued to adjust and bottom out, with notable drops in development investment and construction scale, continuing to weigh on the overall economy. Infrastructure works, particularly in national key areas including water conservancy and information communication, effectively stabilised growth and supported people's livelihoods, underpinning the development of the construction industry.

I. Construction Industry Under Pressure with Ongoing Structural Adjustment

According to the National Bureau of Statistics, China's construction industry faced obvious downward pressure in the first half of 2026. The industry's total output value was about RMB11.9 trillion, down 12.7% year-on-year. Its added value stood at RMB3.6 trillion (down 4.0% year-on-year). The total construction floor area fell 21.0% year-on-year to 7.394 billion square meters. National fixed-asset investment (excluding rural households) decreased 5.7% year-on-year to RMB22.6 trillion. By sector, primary industry investment rose 0.9% to RMB460.0 billion, secondary industry investment fell 1.1% to RMB8.3 trillion, and tertiary industry investment dropped 8.4% to RMB13.9 trillion. Infrastructure investment declined 2.4% year-on-year, bringing overall downward pressure to the construction sector.

Some infrastructure segments delivered strong growth, with investment in information communication up 25.6% and water transport up 19.8% year-on-year. Although water conservancy investment faced short-term pressure, sufficient major project reserves support future growth momentum.

II. Volatile Industry Sentiment with Improving Market Expectations

The construction industry's business activity index remained low and volatile in the first half of 2026. In June, the index stood at 49.0%, up 0.2 percentage points month-on-month. The new order index rose 2.8 percentage points month-on-month to 46.3%, the input price index dropped 3.3 percentage points to 50.4%, and the employment index increased 0.9 percentage points to 42.3%.

Although the overall business index remained in contraction territory, new orders and employment showed marginal improvement, while forward-looking indicators stayed in expansion territory and lifted industry confidence. Analysts expect construction activities to gradually recover in the third quarter, supported by faster fiscal spending, new supportive policies and post-disaster reconstruction demand.

III. Deepening Digital and Intelligent Upgrade and Robust Water Conservancy Development

China continued to advance digital development across industries. The construction sector's digital transformation covering BIM, smart construction sites and industrialised building has achieved large-scale and in-depth application. Rapid AI development has accelerated industry upgrading, with intelligent design, construction management and quality inspection widely adopted in projects. As a key part of national water network strategy, water conservancy investment remained strong. In the first half of 2026, China completed RMB515.1 billion of water conservancy investment and launched 33,000 projects, including 25 major schemes such as the New Three-Gorges Water Transport Corridor and Phase I of the Subsequent Taipu River Project. These projects created 1.344 million jobs (including 1.111 million rural jobs) with total wages of RMB20.99 billion paid. According to the Ministry of Water Resources, 35 out of 40 national key water diversion channels and 473 out of 588 water regulation nodes are completed or under construction, covering 80.3% of China's land area. Major water network projects including the Yangtze-to-Han River Diversion, Dadu-to-Min River Diversion and Beibu Gulf water allocation works will continue to be advanced.

IV. Accelerated AI-enabled Agricultural Modernisation

2026 marks the start of the 15th Five-Year Plan and the industry-wide launch of large-scale AI agent applications. For the first time, national policies explicitly support new agricultural productivity and integrated AI development in agriculture, with dedicated national planning for agricultural digitalisation. This policy upgrade moves agricultural intelligence from isolated technical trials to full-scale, data-driven industrial collaboration.

Industry forecasts show that China's smart agriculture market size will exceed RMB134.0 billion in 2026, with an annual compound growth rate of over 15.0%, reflecting strong long-term growth potential.

The Group holds first-grade qualifications in municipal works, building construction, water conservancy and hydropower. Its associate, China Railway First Group East China Construction Engineering Co., Ltd., has expanded its national water conservancy and hydropower business and actively participates in key national water network projects. Leveraging unified national market reforms, the Group has built digital compliance advantages through standard recognition and coordinated supervision mechanisms. The Group's smart construction division integrates digital twin and AI technologies, with practical applications in intelligent site management and on-site operation, supporting industrial upgrading. Benefiting from strong industrial synergy, the Group captures new growth opportunities from the national "AI+ Agriculture" strategy by expanding into agricultural intelligent infrastructure services.

In the first half of 2026, the revenue of the Group was approximately RMB427.4 million, representing a decrease of 44.1% when compared with the same period of 2025, the sources of business revenue were from: 1) landscaping construction, 2) municipal works construction, 3) building works and 4) others, which represented 16.3%, 66.9%, 14.2% and 2.6% in the total revenue of the Group for the six months ended 30 June 2026.

In the first half of 2026, the Group obtained one new utility model patent. Its employees received multiple municipal and district-level professional and labour honorary titles. The Group and its projects received various provincial and municipal honors, including two provincial standardised safe construction site awards, one district-level high-quality project award and the Ningbo "Camellia Cup" for the Zhonghe Park Project. The Group was recognised as an outstanding enterprise for stable economic growth and innovation in Ningbo. Its QC team was also named an excellent quality management team in Zhejiang's municipal engineering industry.

PROSPECTS

Looking ahead to the second half of 2026, despite challenging external conditions, China's domestic economic fundamentals remain stable. Coordinated macro policies and strengthened counter-cyclical adjustments will further underpin economic recovery. As a pillar industry, the construction sector plays a vital role in new urbanisation, rural revitalisation and the development of new-quality productive forces.

Investment in strategic infrastructure including water conservancy, information technology, new energy and new infrastructure will remain robust as a key growth stabiliser. The industry's digital and intelligent transformation will accelerate, with AI construction and green low-carbon buildings becoming core competitive strengths. The real estate market will continue to bottom out under policy optimisation, and its drag on the construction industry will gradually ease, while short-term pressure remains.

Water conservancy infrastructure will grow in strategic importance for national security and modernisation. The construction of the national water network framework, major water diversion, flood control and irrigation upgrading projects will accelerate. Rising water conservancy investment will create substantial market opportunities for construction enterprises.

Moving forward, the Group will strictly follow national strategies and policy directions. It will stabilise core business in landscape, municipal and general construction works, and prioritise water conservancy and hydropower as key strategic growth areas with increased resource input for major project breakthroughs. The Group will expand into agricultural infrastructure including high-standard farmland, smart irrigation zones and modern agricultural park supporting facilities, forming a full-service agricultural infrastructure system. It will also adopt a "Construction Plus" model to integrate traditional construction with digital, green, industrial and agricultural modernisation, broadening its business coverage.

Guided by technological innovation, focused on water conservancy breakthroughs and driven by new growth from agricultural intelligence and agricultural infrastructure, the Group will pursue high-quality development amid market changes. Adhering to the principle of seeking progress while maintaining stability, the Group will consolidate its annual and long-term development foundations, contribute to industrial and national development, and strive for sustained high-quality growth.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by 44.1% or RMB337.1 million from approximately RMB764.5 million for the six months ended 30 June 2025 to approximately RMB427.4 million for the six months ended 30 June 2026. This was attributable to the fact that as compared with the same period of last year, for the six months ended 30 June 2026, all reportable segments recorded a decrease in revenue contribution.

The revenue recognised during the period for projects completed during the six months ended 30 June 2026 and in progress as at the end of the six months ended 30 June 2026 as compared with that of the previous corresponding period is tabulated as follows:

	For the six months ended 30 June					
	2026			2025		
Business segments	**Revenue** ***RMB'000*** **(Unaudited)**	**No. of projects completed during the period**	**No. of projects in progress as at the period end**	Revenue *RMB'000* (Unaudited)	No. of projects completed during the period	No. of projects in progress as at the period end
Landscape construction	**69,525**	**3**	**33**	108,973	3	25
Municipal works construction	**285,719**	**3**	**100**	353,041	23	89
Building works	**60,661**	**—**	**20**	280,713	5	22
Others	**11,446**	**—**	**16**	21,770	7	25
Total	**427,351**	**6**	**169**	764,497	38	161

Landscape construction

The Group recorded a decrease in revenue from the landscape construction segment, from approximately RMB109.0 million for the six months ended 30 June 2025 to approximately RMB69.5 million for the six months ended 30 June 2026, representing a decrease of 36.2% or RMB39.5 million. This was mainly due to decrease in average contract sum of projects for the six months ended 30 June 2026 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 approximately RMB353.0 million for the six months ended 30 June 2025 to approximately RMB285.7 million for the six months ended 30 June 2025, representing a decrease of 19.1% or RMB67.3 million. This was mainly due to decrease in number and average contract sum of projects for the six months ended 30 June 2026 as compared with that of the previous corresponding period.

Building works

The Group recorded a decrease in revenue from the building works segment, from approximately RMB280.7 million for the six months ended 30 June 2025 to approximately RMB60.7 million for the six months ended 30 June 2026, representing a decrease of 78.4% or RMB220.0 million. This was mainly due to decrease in number and average contract sum of projects for the six months ended 30 June 2026 as compared with that of the previous corresponding period.

Others

The Group recorded a decrease in revenue from the others segment, from approximately RMB21.8 million for the six months ended 30 June 2025 to approximately RMB11.4 million for the six months ended 30 June 2026, representing a decrease of 47.7% or RMB10.4 million. This was mainly due to decrease in number of projects for the six months ended 30 June 2026 as compared with that of the previous corresponding period.

Cost of services rendered

Cost of services rendered decreased by 45.8% or RMB321.5 million from approximately RMB702.2 million for the six months ended 30 June 2025 to approximately RMB380.7 million for the six months ended 30 June 2026. 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 23.9% or RMB14.3 million from approximately RMB59.9 million for the six months ended 30 June 2025 to approximately RMB45.6 million for the six months ended 30 June 2026. Gross profit margin of the Group for the six months ended 30 June 2026 and 2025 was 10.7% and 7.8% 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 36.7% for the six months ended 30 June 2025 to 14.2% for the six months ended 30 June 2026. 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 decreased by 27.2% or RMB8.3 million from approximately RMB30.5 million for the six months ended 30 June 2025 to approximately RMB22.2 million for the six months ended 30 June 2026. The decrease was mainly due to the fact that certain expenses, e.g. research and development expenditure, decreased as a result of downturn in business and cost control for the six months ended 30 June 2026 as compared with that of the previous corresponding period.

Finance costs

The Group's finance costs slightly increased by 4.4% or RMB0.4 million from approximately RMB9.0 million for the six months ended 30 June 2025 to approximately RMB9.4 million for the six months ended 30 June 2026.

Income tax (credit)/expense

The Group recorded a net income tax credit of approximately RMB4.9 million for the six months ended 30 June 2026, compared with a net income tax expense of approximately RMB1.5 million for the previous corresponding period. This was mainly attributable to the reversal of approximately RMB7.2 million over-provision for income tax expense recognized in prior years.

LIQUIDITY AND CAPITAL RESOURCES

	At 30 June 2026 (Unaudited)	At 31 December 2025 (Audited)
Cash and cash equivalents *(RMB'000)*	**210,666**	194,579
Current ratio	**1.9**	1.8
Gearing ratio	**0.5**	0.6

As at 30 June 2026, 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 2026, 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 0.5.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital expenditures

For the six months ended 30 June 2026, the Group did not have significant capital expenditures.

Capital commitments

As at 30 June 2026, the Group had no significant capital commitment.

INDEBTEDNESS

Borrowings

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

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank borrowings	**538,700**	558,700
Invoice financing loans	**—**	3,790
	538,700	562,490

The average interest rates for bank loans as at 30 June 2026 were 2.95% per annum.

As at 30 June 2026, the Group's bank borrowings of RMB538,700,000 were carried at floating rates and expose the Group to cash flow interest rate risk. Bank borrowings of RMB462,700,000 were secured by a corporate guarantee from a related company, Chanhigh Holdings Group Limited (滄海控股集團有限公司) ("**CHHG**") of RMB690,000,000, the bank borrowings of RMB45,000,000 were secured by co-guarantees from CHHG, Peng Yonghui and Peng Yonghui's spouse, Wu Zhenzhen of RMB55,000,000, the bank borrowings of RMB31,000,000 were secured by guarantees of the directors of the Company and certain land and buildings held by the Group. All borrowings were due for settlement within 12 months. As at 30 June 2026, Chanhigh Construction, a subsidiary of the Group, provided financial guarantees to banks in respect of banking facilities granted to a wholly-owned subsidiary of CHHG with a maximum amount in aggregate of RMB288,430,000. On a net basis, CHHG and its subsidiary provided the Group's borrowings with guarantees totalling RMB401,570,000. Peng Family are ultimate beneficial shareholders of CHHG and its subsidiary.

Except as disclosed above, as at 30 June 2026, 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*(Note 1)*	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*(Note 2)*	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	—
Total	315.3	147.9	167.4

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 2026.

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 2026, except that chairman of the Board, Mr. Peng Tianbin, did not attend the annual general meeting on 23 June 2026 due to other business engagements.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2026, the Group had 298 full-time employees. Total employee benefits expense incurred for the six months ended 30 June 2026 amounted to RMB14.8 million. The remuneration committee of the Company, comprising two independent non-executive Directors, namely Ms. Chen Danqi and Mr. Xu Yidong 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 2026, 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 2026.

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, Ms. Chen Danqi and Mr. Xu Yidong, 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 2026. 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 as well as the website of the Company at www.chanhigh.com.hk. The Company's interim report for the six months ended 30 June 2026 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, 26 August 2026

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, Ms. Chen Danqi and Mr. Xu Yidong as independent non-executive Directors.

* *For identification purpose only*