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CHANHIGH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2017)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,073,405	1,748,321
Gross profit	70,381	131,341
Profit and total comprehensive income for the year	13,043	27,372
Profit for the year and total comprehensive income for the year attributable to:		
Owners of the Company	13,014	27,313
Non-controlling interests	29	59

The board (the “**Board**”) of directors (the “**Directors**”) of Chanhigh Holdings Limited (the “**Company**”), hereby presents the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”) together with the comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB’000	2024 <i>RMB’000</i>
Revenue	4	1,073,405	1,748,321
Cost of services rendered	6	(1,000,079)	(1,611,226)
Sales related tax and auxiliary charges	6	(2,945)	(5,754)
Gross profit		70,381	131,341
Other income, other gains and losses		20,694	24,399
Administrative and other operating expenses	6	(59,181)	(62,578)
Provision for impairment loss		(6,568)	(34,684)
Profit from operations		25,326	58,478
Finance costs		(17,349)	(22,871)
Share of (losses)/profits of an associate		(560)	969
Profit before income tax		7,417	36,576
Income tax credit/(expense)	5	5,626	(9,204)
Profit and total comprehensive income for the year		13,043	27,372
Profit for the year and total comprehensive income for the year attributable to:			
Owners of the Company		13,014	27,313
Non-controlling interests		29	59
		13,043	27,372
Earnings per share			
Basic and diluted (RMB cents per share)	7	2.1	4.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		11,765	13,013
Intangible assets		24,369	25,734
Right-of-use assets		166	480
Investment in an associate		30,326	30,886
		<u>66,626</u>	<u>70,113</u>
Current assets			
Trade and other receivables	8	422,138	371,186
Contract assets		1,100,284	1,158,228
Restricted bank deposits		298,896	117,898
Bank and cash balances		294,579	439,665
		<u>2,115,897</u>	<u>2,086,977</u>
TOTAL ASSETS		<u>2,182,523</u>	<u>2,157,090</u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital	9	5,487	5,487
Reserves		1,005,810	992,796
		<u>1,011,297</u>	<u>998,283</u>
Non-controlling interests		6,175	6,146
		<u>1,017,472</u>	<u>1,004,429</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities		—	203

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current liabilities			
Trade and bills payables	<i>10</i>	358,311	385,840
Accruals and other payables		32,616	41,397
Contract liabilities		85,052	39,769
Lease liabilities		200	332
Borrowings		562,490	548,700
Current tax liabilities		126,382	136,420
		<u>1,165,051</u>	<u>1,152,458</u>
TOTAL LIABILITIES		<u>1,165,051</u>	<u>1,152,661</u>
TOTAL EQUITY AND LIABILITIES		<u>2,182,523</u>	<u>2,157,090</u>

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's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company is an investment holding company. The principal activities of its subsidiaries are provision of services of municipal works, building works and landscape construction, and related services.

In the opinion of the Directors, as at 31 December 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

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"). IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRSs"); International Accounting Standards ("IASs"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRSs

In the Year, the Group has applied the amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements. The application of the new and amendments to IFRSs in the Year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early adopted the amendments to standards that have been issued but are not yet effective.

In July 2024, IASB issued IFRS 18 — Presentation and Disclosure in Financial Statements which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The Directors are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Except from IFRS 18, the Directors have assessed the financial impact on the Group of the adoption of the new standards, amendments to existing standards and interpretations that have been issued but are not yet effective. These standards, amendments and interpretations are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group is currently revisiting the accounting policy information disclosures to ensure consistency with the amended requirements. The Group intends to adopt the above new standards, amendments to existing standards and interpretations when they become effective.

4. REVENUE AND SEGMENT INFORMATION

The Group's revenue is mainly derived from contracts with customers.

(i) Information about operating segment profit or loss, assets and liabilities:

	Landscape construction <i>RMB'000</i>	Municipal works construction <i>RMB'000</i>	Building works <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
2025					
External revenue	144,644	551,698	335,230	41,833	1,073,405
Segment results	10,763	37,545	15,165	6,908	70,381
Cost of materials	(68,959)	(243,318)	(148,741)	(11,492)	(472,510)
Staff costs	(42,863)	(175,501)	(98,650)	(19,198)	(336,212)
Short-term lease payments	<u>(10,700)</u>	<u>(40,811)</u>	<u>(24,798)</u>	<u>(3,094)</u>	<u>(79,403)</u>
2024					
External revenue	97,476	811,663	790,719	48,463	1,748,321
Segment results	12,194	72,727	36,502	9,918	131,341
Cost of materials	(39,917)	(344,072)	(361,053)	(14,469)	(759,511)
Staff costs	(24,283)	(236,666)	(263,545)	(18,606)	(543,100)
Short-term lease payments	(5,300)	(44,129)	(44,355)	(2,634)	(96,418)
Additions to segment non-current assets	—	—	—	739	739
Disposal of segment non-current assets	<u>—</u>	<u>(46,621)</u>	<u>—</u>	<u>—</u>	<u>(46,621)</u>

(ii) Reconciliation of operating segment profit or loss:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit and loss		
Total profits of reportable segment	70,381	131,341
Unallocated amounts:		
Interest income	17,451	16,951
Government incentives and awards	1,621	1,820
Gain on termination of concession rights	—	5,246
Gain/(loss) on deregistration of subsidiaries, net	48	(142)
Depreciation of property, plant and equipment	(994)	(1,040)
Depreciation of right-of-use assets	(314)	(300)
Amortisation of intangible assets	(1,365)	(1,365)
Finance costs	(17,349)	(22,871)
Staff costs	(23,800)	(32,087)
Research and development expenditure	(16,191)	(7,593)
Provision for impairment loss	(6,568)	(34,684)
Others	(15,503)	(18,700)
	<u>7,417</u>	<u>36,576</u>
Profit before income tax	<u>7,417</u>	<u>36,576</u>

(iii) Geographical information

Based on the locations of the customers, the revenues are earned in the PRC.

5. INCOME TAX CREDIT/(EXPENSE)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PRC Enterprise Income Tax:		
Current income tax expense		
Provision for the year	3,585	9,224
Over-provision in prior years	(9,211)	(20)
	<u>(5,626)</u>	<u>9,204</u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the Year (2024: Nil).

PRC Enterprise Income Tax (“PRC EIT”) has been provided at a rate of 25% (2024: 25%).

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

6. EXPENSES BY NATURE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor's remuneration	1,157	1,786
Subcontracting expenses	55,790	118,323
Direct materials and other costs	808,742	1,294,610
Sales related tax and auxiliary charges	2,945	5,754
Employee benefit expense	23,800	40,648
Depreciation of property, plant and equipment	994	1,040
Amortisation of intangible assets	1,365	1,365
Depreciation of right-of-use assets	314	300
Bad debts written off	1,267	10
Legal and professional fee	3,101	5,057
Research and development expenditure	16,191	7,593
Short-term lease payments	79,403	96,418
Waste disposal expenses	2,413	11,121
Entertainment expenses	3,576	4,735
Transportation expenses	18,259	45,616
Others	42,888	45,182
	<u>1,062,205</u>	<u>1,679,558</u>
Total direct costs and administrative and other operating expenses	<u>1,062,205</u>	<u>1,679,558</u>

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Profit attributable to the owners of the Company, used in the basic and diluted earnings per share calculation	<u>13,014</u>	<u>27,313</u>
Number of shares		
Weighted average number of ordinary shares used in basic and diluted earnings per share calculation (thousand shares)	<u>618,502</u>	<u>618,502</u>

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted earnings per share are the same. As at 31 December 2025, the Company had no dilutive potential ordinary shares (2024: Nil).

8. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, retention receivables and bills receivables		
Trade receivables	210,175	214,407
Loss allowance	<u>(71,449)</u>	<u>(88,723)</u>
	<u>138,726</u>	<u>125,684</u>
Retention receivables	58,461	52,630
Loss allowance	<u>(10,881)</u>	<u>(286)</u>
	<u>47,580</u>	<u>52,344</u>
Bills receivables	6,376	2,586
Loss allowance	<u>(2,586)</u>	<u>(2,586)</u>
	<u>3,790</u>	<u>—</u>
	<u>190,096</u>	<u>178,028</u>
Other receivables		
Construction contracts performance guarantees and deposit for tender	42,024	56,712
Amount due from an associate	28,377	20,379
Others	<u>49,973</u>	<u>55,542</u>
	120,374	132,633
Loss allowance	<u>(17,674)</u>	<u>(16,455)</u>
	<u>102,700</u>	<u>116,178</u>
Prepayments and deposits		
Advance to suppliers and other prepayments	129,246	76,882
Rental deposits	<u>96</u>	<u>98</u>
	<u>129,342</u>	<u>76,980</u>
	<u>422,138</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.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	35,667	41,844
91 to 180 days	2,597	14,753
181 to 365 days	36,119	2,818
Over 1 year but less than 2 years	5,600	9,620
Over 2 years but less than 3 years	7,817	10,823
Over 3 years	<u>50,926</u>	<u>45,826</u>
	<u>138,726</u>	<u>125,684</u>

The aging analysis of bills receivables, based on issuance date, net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	3,620	—
91 to 180 days	<u>170</u>	—
	<u>3,790</u>	—

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Not yet due	18,553	37,697
Within 1 year	24,783	3,558
Over 1 year but less than 2 years	2,385	2,205
Over 2 years but less than 3 years	<u>1,859</u>	<u>8,884</u>
	<u>47,580</u>	<u>52,344</u>

9. SHARE CAPITAL

	Number of shares '000	Amount	
		HK\$'000	RMB'000
Authorised:			
<i>Ordinary shares of HK\$0.01 per share</i>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	2,000,000	20,000	17,733
Issued and fully paid:			
<i>Ordinary shares of HK\$0.01 per share</i>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	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, is as follow:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	56,767	60,002
91 to 180 days	48,670	25,900
181 to 365 days	26,307	83,419
Over 1 year but less than 2 years	69,385	74,766
Over 2 years but less than 3 years	31,688	43,015
Over 3 years	125,494	98,738
	<u>358,311</u>	<u>385,840</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND BUSINESS REVIEW

In 2025, the downward trend of the real estate industry remained unturned, and the living environment of construction enterprises, especially small and medium-sized private ones, continued to be under pressure. Against the backdrop of the final sprint of the 14th Five-Year Plan, national policies have continued to focus on high-quality economic development, with infrastructure investment playing a core supporting role in stabilizing growth. Urban renewal, water conservancy infrastructure, ecological environmental protection, rural revitalization and other sectors have become key priorities of policy support. At the same time, the digital transformation of the construction industry has continued to deepen, industry concentration has further increased, market competition has become more intense, and the differentiation among enterprises has continued to intensify. Despite the complex and volatile external environment, with the implementation of various economic stabilization policies, construction enterprises still face structural development opportunities. The details are as follows:

1. Trend of Core Operating Data of the Construction Industry

According to the 2025 Statistical Communique on the Development of the Construction Industry issued by the China Construction Industry Association, the total output value of construction projects completed by national construction enterprises reached RMB30.38 trillion, a year-on-year decrease of 5.4%. The total floor area of buildings under construction nationwide stood at 11.35 billion square meters, a year-on-year reduction of 15.0%. According to the 2025 Statistical Communique on National Economic and Social Development, the annual value added of the construction industry was RMB8.64 trillion, down 1.1% from the previous year. Despite the continued downturn in the real estate sector exerting a significant impact on housing construction business, the proportion of the construction industry's value added to the gross domestic product (GDP) has remained above 6.0%. In 2025, this proportion was 6.16%, affirming that the construction industry still maintains its solid position as a pillar of the national economy.

Statistics show that the number of general contracting and professional contracting construction enterprises with qualification grades nationwide continued to grow in 2025, leading to further intensified market competition; the proportion of newly signed contract value of the eight major central construction enterprises in the overall construction market continued to rise, making the trend of industry concentration towards leading enterprises more evident, and the market space for private construction enterprises continued to be squeezed. At the same time, the scale of employees in the construction industry continued to decline, the problems of labor shortage and high labor costs for enterprises became more prominent, and the survival pressure on small and medium-sized construction enterprises continued to

increase. Guided by policies, the trend of the construction market tilting towards the infrastructure sector has become more clear. In 2025, national infrastructure investment increased by 3.1% year-on-year, among which investment in water conservancy management increased by 7.9% and investment in the production and supply of electricity, heat, gas and water increased by 5.4%, becoming the core driving force supporting the stable operation of the construction industry.

2. Resilient Business Activity Index of the Construction Industry

According to the China Purchasing Managers' Index operation released by the National Bureau of Statistics, the annual average business activity index of the construction industry in 2025 was in the expansion range, demonstrating strong industry resilience. In December 2025, the business activity index of the construction industry stood at 54.2%, up 2.1 percentage points month-on-month, remaining in the boom expansion range. Among them, the business activity index of civil engineering construction rose to 58.2%, reflecting the fast progress of infrastructure construction driven by the advancement of major projects. The new order index and employee index showed an overall fluctuating recovery trend throughout the year, indicating that with the continuous implementation of investment stabilization policies, demand in the construction market has gradually recovered, and the development resilience of the industry has continued to emerge.

3. Intelligent Construction Driving In-depth Transformation of the Construction Industry

2025, the final year of the 14th Five-Year Plan, witnessed the continuous in-depth transformation of the construction industry towards digitalization and intelligence. With the in-depth integration of a new generation of information technology and the construction industry, intelligent construction has become the core direction of the industry's transformation and upgrading, a trend fully confirmed in the "2025 Report on the Intelligent Transformation and Development of the Construction Industry" released by China Construction Network. The problems of aging labor force and labor shortage in the construction industry have not been fundamentally alleviated. However, intelligent construction has effectively optimized the entire construction process, improved construction efficiency and alleviated labor pressure through the application of digital technology, factory prefabrication and assembly models, and intelligent construction equipment, becoming the core path for construction enterprises to offset rising costs and build differentiated competitiveness.

The 14th Five-Year Plan has continued to guide the construction industry towards green and intelligent development. Leading enterprises in the industry have further consolidated their market advantages through resource integration and technological innovation, and the industry's survival of the fittest has continued to accelerate. Against this background, transforming towards integrated whole-industry chain development and deepening the "construction +" integration model have become the

core directions for construction enterprises to break through. Emerging fields such as smart construction, green building and digital management have brought new development opportunities and challenges to industry enterprises.

4. Policy Dividends Released by Water Conservancy Infrastructure and Rural Revitalization

In 2025, the country continued to thoroughly implement the 14th Five-Year Plan and comprehensively advance the rural revitalization strategy. The Central Government Document No.1 once again clarified the core requirements of accelerating the construction of modern water conservancy facilities and promoting the high-quality development of water conservancy, making water conservancy infrastructure an important starting point for stabilizing investment and improving people's wellbeing. According to the national water conservancy construction investment data released by the Ministry of Water Resources, the completed investment in national water conservancy construction hit a new high in 2025. Project demand in major water conservancy projects, river basin flood control and management, water resource allocation, rural water conservancy construction and other fields has continued to be released, bringing long-term market opportunities for water conservancy engineering construction enterprises.

The Group holds five First-Grade qualifications, including General Contractor for Municipal Public Works, General Contractor for Housing Construction Projects, Professional Contractor for Urban and Street Lighting Projects, Professional Contractor for Building Renovation Projects, and Professional Contractor for Historic Building Projects, equipping it with comprehensive capabilities to undertake large-scale infrastructure projects. The Group has continuously seized the policy dividends of water conservancy infrastructure and deeply participated in national water conservancy project construction. The Group's associate holds First-Grade qualification of General Contractor for Water Works and Hydropower Projects and has maintained a Grade 3A credit rating from the Ministry of Water Resources, further consolidating its competitive advantages in the water conservancy and hydropower market, with its business layout highly aligned with the national industrial development direction. At the same time, closely following the national deployment of the rural revitalization strategy and relying on its core engineering construction capabilities, the Group has steadily explored the smart agriculture supporting infrastructure construction business, combining traditional engineering construction capabilities with the development needs of modern agriculture to open up a new business track synergistic with its core business.

BUSINESS REVIEW

For the year, the annual revenue of the Group was approximately RMB1,073.4 million, representing a decrease of approximately 38.6% over last year. The revenue was mainly generated from: 1) landscape construction, 2) municipal works construction, 3) building works, and 4) others, and accounted for 13.5%, 51.4%, 31.2% and 3.9%, respectively.

In 2025, the Group continued to deepen its roots in the local Zhejiang market, steadily advanced the delivery of ongoing projects, and continuously consolidated its enterprise influence and industry status. The Group throughout the year successively won a number of enterprise honors, including relevant awards for Zhejiang Provincial Water Conservancy Work Safety Standardization, Top 100 Service Enterprises in Ningbo, Top 100 Competitive Enterprises in Ningbo, and awards for high-quality development in Yinzhou District. A number of contracted projects have won provincial and municipal high-quality project awards, covering industry honors such as Zhejiang Provincial Standardized Construction Sites, Gold Awards for Zhejiang Provincial Municipal High-Quality Projects, Zhejiang Provincial Excellent Landscape Engineering Awards, Yongjiang Cup and Camellia Cup. The Group and its projects have won two “Ningbo Municipal High-Quality Project” awards, been rated as a Hangzhou Landscape Greening Demonstration Project, and won the second prize of the 2025 “Ningbo Construction Cup” Excellent Quality Management Topic. Two teams were listed among the Excellent Quality Management Groups in Zhejiang’s municipal industry, and a number of QC (Quality Control) achievements have won provincial and municipal awards. In terms of patent construction methods and technological innovation, the Group added two invention patents in the construction field and two provincial local standards throughout the year, continuing to take the creation of “high-quality projects” and “standardized construction sites” as the starting point, and paying close attention to engineering quality management and the construction of technological innovation capabilities.

Nevertheless, the Group must clearly recognize that the current operating results are only a modest foothold amid the industry downturn, and still faces numerous development crises. The surging wave of green, intelligent and digital transformation in the industry has left the Group with a significant gap compared with leading industry enterprises in investment in technological research and development, talent reserves, equipment renewal and other aspects. If the Group fails to quickly make up for these shortcomings, the Group will be gradually marginalized in the future market competition.

PROSPECTS

In 2025, the construction industry as a whole featured “infrastructure underpinning growth, real estate under pressure, and in-depth transformation”. Market resources continued to concentrate on central state-owned enterprises, local state-owned enterprises and regional leading enterprises, and private construction enterprises generally faced multiple challenges such as shrinking market space, pressure on profit margins and higher transformation thresholds. Against the backdrop of the continued downturn in the traditional housing construction sector, intensified low-price competition in the industry and rigid cost increases, the industry as a whole is in a stage of in-depth adjustment featuring “structural restructuring and pattern reshaping”. Under such a macro backdrop, all employees of the Group, under the leadership of the Board of Directors and the management team, have risen to challenges, united as one, continuously optimized the business structure, strictly controlled operational risks, and deepened roots in the local market, ensuring the stable operation of the Group’s business.

2026 is the first year of the 15th Five-Year Plan. China will continue to adhere to the general work guideline of making progress while maintaining stability, coordinate development and security, and promote the sustained recovery and growth of the economy. As important pillars of the national economy, the construction and water conservancy industries will, under the guidance of national strategies, continue to focus on core directions such as infrastructure construction, rural revitalization, green and intelligent transformation, high-quality development of water conservancy, and ecological environmental protection. Special bonds and ultra-long-term special treasury bond funds will also continue to tilt towards the above-mentioned sectors, bringing clear structural development opportunities for industry enterprises. In the meantime, Ningbo has continued to advance the layout of major infrastructure construction, with the total investment scale of the five-year plan expanding continuously, bringing sustained regional market opportunities for the Group, which is deeply rooted in the local market.

Looking ahead to 2026, a new journey has begun, and the industry is faced with both challenges and structural opportunities. The Group will continue to adhere to the core operating principle of “prioritizing stability, putting risk first, and pursuing development amid difficulties”, refrain from reckless advance and blind follow-up, hold the bottom line of business operation with extreme risk control, and explore long-term development space with continuous strategic exploration. The Group will continue to take traditional infrastructure construction as the foundation, water conservancy and hydropower construction as the core growth driver, and technological innovation as the breakthrough point. Adhering to a market-oriented approach, profit-centric operation and compliance-based bottom line, the Group will continue to deepen roots in the local Zhejiang market, optimize the business structure, improve management efficiency, strictly control project risks and ensure cash flow security. At the same time, the Group will continue to promote the digital and intelligent transformation of the construction industry, steadily explore synergistic businesses such as smart agriculture supporting construction, fulfill corporate social responsibilities, and contribute to the high-quality development of China’s economy and urban construction.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by 38.6% or RMB674.9 million from RMB1,748.3 million for last year to RMB1,073.4 million for the Year. This mainly due to the fact that for the Year the decrease in revenue of municipal works construction segment, building works segment and others segment offset the increase in revenue of landscape construction segment, and led to overall decrease in the Group's total revenue.

The revenue recognised during the Year for projects completed during the Year and in progress as at 31 December 2025 as compared with that of last year is tabulated as follows:

Business segments	Revenue <i>RMB'000</i>	2025		Revenue <i>RMB'000</i>	2024	
		No. of projects completed during the year	No. of projects in progress as at the year end		No. of projects completed during the year	No. of projects in progress as at the year end
Landscape construction	144,644	28	24	97,476	15	19
Municipal works construction	551,698	55	54	811,663	96	75
Building works	335,230	17	13	790,719	7	20
Others	41,833	4	1	48,463	16	29
Total	<u>1,073,405</u>	<u>104</u>	<u>92</u>	<u>1,748,321</u>	<u>134</u>	<u>143</u>

As compared with that of last year, the revenue for the Year decreased by 38.6% and the number of projects for the Year decreased by 29.2%. The overall fluctuation in revenue and number of projects was mainly due to the net effect of (i) landscape construction segment of which the revenue and number of projects for the Year increased by 48.3% or RMB47.2 million and 52.9% respectively; (ii) municipal works construction segment of which the revenue and number of projects for the Year decreased by 32.0% or RMB260.0 million and 36.3% respectively; (iii) building works segment of which the revenue and number of projects for the Year decreased by 57.6% or RMB455.5 million and increased by 11.1% respectively; and (iv) others segment of which the revenue and number of projects for the Year decreased by 13.7% or RMB6.6 million and 88.9% respectively.

Landscape construction

The Group recorded an increase in revenue from the landscape construction segment, from RMB97.5 million for last year to RMB144.6 million for the Year, representing an increase of 48.3% or RMB47.2 million. The increase was mainly due to increase in number of projects for the Year as compared with that of last year.

Municipal works construction

The Group recorded a decrease in revenue from the municipal works construction segment, from RMB811.7 million for last year to RMB551.7 million for the Year, representing a decrease of 32.0% or RMB260.0 million. The decrease was mainly due to decrease in number of projects for the Year as compared with that of last year.

Building works

The Group recorded a decrease in revenue from the building works segment, from RMB790.7 million for last year to RMB335.2 million for the Year, representing a decrease of 57.6% or RMB455.5 million. The decrease was mainly due to decrease in average contract value for the Year as compared with that of last year.

Others

The Group recorded a decrease in revenue from the others segment, from RMB48.5 million for last year to RMB41.8 million for the Year, representing a decrease of 13.7% or RMB6.6 million. The decrease was mainly due to decrease in number of projects for the Year as compared with that of last year.

Cost of services rendered

Cost of services rendered decreased by 37.9% or RMB611.1 million from RMB1,611.2 million for last year to RMB1,000.1 million for the Year. Generally, the decrease in cost of services rendered was in line with the decrease in revenue for the Year.

Gross profit and gross profit margin

The Group's gross profit decreased by 46.4% or RMB60.9 million from RMB131.3 million for last year to RMB70.4 million for the Year. Gross profit margin of the Group decreased from 7.5% for last year to 6.6% for the Year. The decrease in gross profit margin was mainly due to intensified competition in the industry.

Other income, other gains and losses

Other income, other gains and losses decreased by 15.2% or RMB3.7 million from RMB24.4 million for last year to RMB20.7 million for the Year. The decrease was mainly due to an one-off gain amounting to RMB5.2 million arisen from termination on concession rights for last year.

Administrative and other operating expenses

The Group's administrative expenses decreased by 5.4% or RMB3.4 million from RMB62.6 million for last year to RMB59.2 million for the Year. The decrease was mainly attributable to the enhanced cost control measures implemented in response to the underperformance of business.

Finance costs

The Group's finance costs decreased by 24.5% or RMB5.6 million from RMB22.9 million for last year to RMB17.3 million for the Year, which was mainly due to decrease in interest rates.

Income tax expense

For the Year, the Group recorded a net income tax credit of RMB5.6 million, compared with an income tax expense of RMB9.2 million for last year. This was mainly attributable to the reversal of approximately RMB9.2 million over-provision for income tax expense recognized in prior years.

LIQUIDITY AND CAPITAL RESOURCES

	2025	2024
Cash and cash equivalents (excluding deposits with initial term of over three months) (RMB'000)	194,579	272,665
Current ratio	1.8	1.8
Gearing ratio	0.6	0.5

As at 31 December 2025, the Group's current ratio (based on the total current assets as at the respective year ends divided by the total current liabilities as at the respective year ends) was 1.8.

As at 31 December 2025, the Group's gearing ratio (based on the total debts as at the respective year ends divided by total equity as at the respective year ends) was 0.6.

SUBSEQUENT SETTLEMENT OF TRADE RECEIVABLES

The following table provides information about the subsequent settlement as at 28 February 2026 on trade receivables as at 31 December 2025:

	Net carrying amount as at 31 December 2025 <i>RMB'000</i>	Subsequent settlement as at 28 February 2026 <i>RMB'000</i>
0 to 90 days	35,667	24,516
91 to 180 days	2,597	350
181 to 365 days	36,119	14,743
Over 1 year but less than 2 years	5,600	568
Over 2 years but less than 3 years	7,817	—
Over 3 years	50,926	2,154
	<u>138,726</u>	<u>42,331</u>

CAPITAL EXPENDITURES AND COMMITMENTS

Capital expenditures

For the Year, the Group incurred capital expenditures totalling RMB0.01 million in relation to property, plant and equipment and intangible assets.

Capital commitments

As at 31 December 2025, the Group had no significant capital commitments.

INDEBTEDNESS

The following table sets forth the Group's total debts as at year end:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank borrowings	<u>562,490</u>	<u>548,700</u>

The average interest rate for bank loans as at 31 December 2025 was 3.60% per annum.

As at 31 December 2025, bank borrowings of RMB497,700,000 were secured by a corporate guarantee from a related company, Chanhhigh Holdings Group Limited (“CHHG”) of RMB700,000,000, and the bank borrowings of RMB56,000,000 were secured by guarantees of the directors of the Company. As a part of the abovementioned guarantee arrangements with CHHG, during the year ended 31 December 2025, Chanhhigh Construction, a subsidiary of the Group, provided financial guarantees to banks in respect of banking facilities granted to a wholly-owned subsidiary of CHHG from 25 March 2025 to 26 March 2028 with a maximum amount in aggregate of RMB320,430,000. On a net basis, CHHG and its subsidiary provided the Group’s borrowings with guarantees totalling RMB379,570,000. Peng Family are ultimate beneficial shareholders of CHHG and its subsidiary.

Except as disclosed above, as at 31 December 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.

CONTINGENT LIABILITIES

Contingent liabilities in respect of legal claims

A subsidiary of the Group is defendant in a number of claims, lawsuits and potential claims relating to employees’ compensation cases and personal injuries claims related to construction contracts. After due consideration of each case and with reference to the legal advice, historical records, in the opinion of the Directors, such existing claims and legal proceedings against the Group have no material financial impact to the Group as at 31 December 2025.

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 first-grade 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 architectural design firm(s) in the Yangtze River Delta possessing first-grade qualification in architectural 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 Projects Qualification, a Second-Grade General Contractor for Highway Construction Projects Qualification along with a Second-Grade General Contractor for Water Works and Hydropower Projects Qualification and a First-Grade General Contractor for Housing Construction Projects Qualification 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 with a 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 2026.

FINAL DIVIDENDS

The Board does not recommend the payment of any dividend for the Year.

NO MATERIAL CHANGE

During the Year, there has been no material change in the Group's financial position or business since the publication of the latest annual report of the Company for the year ended 31 December 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 Year, except that the Director, Mr. Peng Tianbin (chairman of the Board and chairman of the Strategy Committee), did not attend the annual general meeting on 26 June 2025 due to unexpected business engagements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the Year, 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 the 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 Year.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is tentatively scheduled to be held on Tuesday, 23 June 2026. Notice of the annual general meeting will be published and issued to shareholders in due course.

BOOK CLOSURE

The transfer books and register of members of the Company will be closed from Tuesday, 16 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30p.m. on Monday, 15 June 2026.

AUDIT COMMITTEE

In compliance with the Listing Rules, the Company has an audit committee comprising three independent non-executive Directors, namely Mr. Chan Lap Ip, Mr. Shi Weixing and Mr. Yang Zhongkai (the "**Audit Committee**"). The Audit Committee has reviewed the accounting policies adopted by the Group and discussed auditing, risk management, internal controls and financial reporting matters including a review of the consolidated results of the Group for the Year.

FINANCIAL INFORMATION

The financial information set out in this announcement does not constitute the Group's audited consolidated financial statements for the Year, but represents an extract from those accounts. The financial information has been reviewed by the Audit Committee, approved by the Board and agreed by the Group's external auditors, Linksfeld CPA Limited.

SCOPE OF WORK OF LINKSFELD CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, Linksfeld CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on 26 March 2026. The work performed by Linksfeld CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Linksfeld CPA Limited on this announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL 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 annual report for the Year 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 the customers and shareholders for their continuing support as well as the employees for their dedication and contribution.

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

Hong Kong, 26 March 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, Mr. Shi Weixing and Mr. Yang Zhongkai as independent non-executive Directors.