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CHANHIGH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2017)

PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the latest unaudited consolidated management accounts of the Group and other information currently available to the Board, it expects the consolidated net profit of the Group for the year ending 31 December 2018 (the “**Reporting Period**”) will record a significant decrease as compared with the consolidated net profit of the Group for the year ended 31 December 2017 of approximately RMB80.3 million. Such expected decrease in the consolidated net profit of the Group for the Reporting Period was mainly due to decrease in revenue as a result of delay in the progress of certain construction projects, decrease in number of projects and changes in government policy towards the infrastructure construction market.

As disclosed in the interim report of the Company for the six months ended 30 June 2018, the Group faces various challenges in the industry in which it operates. During the first half of 2018, the construction industry was affected by adjustments in various national policies. These policy adjustments included deleveraging in the entire financial system, suspension of bond issuance by local governments, increasing efforts to inspect infrastructure projects, and suspension of some Public-Private-Partnership (“**PPP**”, a business model, under this model the capital, construction and operation of public infrastructure projects are provided in the form of public and private partnership)

projects, therefore, a large number of government projects delayed commencement in the short run and certain PPP projects were subsequently aborted or suspended. Meanwhile, affected by the nationwide cancellation of qualification for urban landscaping enterprises in 2017, the Group's competition increased and, as a result, the overall construction volume of the Group decreased. For the second half of 2018, the industry in which the Group operates is still full of challenges caused by the abovementioned adverse factors.

As the Company is still in the process of finalising the Group's consolidated financial results for the Reporting Period, the information contained in this announcement is a preliminary assessment by the Board with reference to the consolidated management accounts of the Group and the information currently available to the Company. Such information has not been audited nor reviewed by the Company's auditor and/or the audit committee and may be subject to change. Further details of the Group's financial results and performance will be disclosed in the annual results announcement of the Company for the year ending 31 December 2018 which is expected to be published before the end of March 2019.

The Board considers that the overall operation of the Group as a whole remains sound and intact, and the financial position of the Group remains solid.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and are advised to refer to details in the annual results announcement to be published by the Company for the Reporting Period.

By order of the Board
Chanhigh Holdings Limited
Peng Tianbin
Chairman

Hong Kong, 9 November 2018

As at the date of this announcement, the Board consists of Mr. Peng Tianbin, Mr. Peng Yonghui and Mr. Peng Daosheng as executive directors of the Company; Ms. Wang Sufen as a non-executive director of the Company; and Mr. Fan Rong, Mr. Shi Weixing and Mr. Yang Zhongkai as independent non-executive directors of the Company.