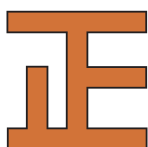


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Ching Lee Holdings Limited

正利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8318)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2016

Characteristics of the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**") of Ching Lee Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

Financial Highlight

- The Group recorded a revenue amounted to approximately HK\$136.2 million for the three months ended 30 June 2016, representing an increase of approximately 118.0% or HK\$73.7 million as compared with the three months ended 30 June 2015.
- The profit and total comprehensive income of the Company is approximately HK\$6.4 million for the three months ended 30 June 2016, representing an increase of approximately HK\$4.0 million or 159.6% as compared with the three months ended 30 June 2015.
- The basic and diluted earnings per share for the three months ended 30 June 2016 is HK\$0.64 cents, as compared with the corresponding period in 2015 of HK\$0.31 cents.
- The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2016.

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2016 together with the unaudited comparative figures for the corresponding period in 2015, as follows:

Unaudited Consolidated Statement of Comprehensive Income

For the three months ended 30 June 2016

	Notes	Three months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	4	136,189	62,476
Cost of revenue		(119,719)	(53,789)
Gross Profit		16,470	8,687
Other income and gains		12	493
Administrative and other operating expenses		(8,607)	(5,666)
Finance costs		(106)	(484)
Profit before income tax	5	7,769	3,030
Income tax	6	(1,324)	(547)
Profit and total comprehensive income for the period		6,445	2,483
Earnings per share			
— Basic (HK Cents)		0.64	0.31
— Diluted (HK Cents)	8	0.64	0.31

Unaudited Consolidated Statement of Changes in Equity

For the three months ended 30 June 2016

	Share capital HK\$'000 (unaudited)	Share premium HK\$'000 (unaudited)	Merger reserve HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
At 1 April 2015	3,711	–	–	16,394	20,105
Profit and total comprehensive income for the period	–	–	–	2,483	2,483
At 30 June 2015	3,711	–	–	18,877	22,588
At 1 April 2016	10,000	73,495	(28,965)	1,065	55,595
Profit and total comprehensive income for the period	–	–	–	6,445	6,445
At 30 June 2016	10,000	73,495	(28,965)	7,510	62,040

Notes to the Unaudited Consolidated Financial Results

For the three months ended 30 June 2016

1. GENERAL INFORMATION

Ching Lee Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 16 November 2015. During the current year, its shares are listed on the GEM on the Stock Exchange (the “**Listing**”). The headquarter and principal place of business of the Company in Hong Kong is located at Room 203–204, 2nd Floor, Hang Bong Commercial Centre, Shanghai Street, Jordon, Kowloon, Hong Kong.

The Company’s issued ordinary shares of HK\$0.01 each have been listed and traded on GEM since 29 March 2016 (the “**Listing Date**”).

The principal activity of the Company is investment holding. The Group’s principal activities are the provision of construction and consulting works and project management services in Hong Kong.

2. BASIS OF PREPARATION

Pursuant to the reorganisation of the Group (the “**Reorganisation**”) in connection with the listing, the Company became the holding company of the companies comprising the Group on 16 November 2015. Details of the Reorganisation are set out in the prospectus of the Company dated 21 March 2016 (the “**Prospectus**”).

The unaudited consolidated financial results of the Group for the three months ended 30 June 2016 have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”). The unaudited consolidated financial results of the Group for the three months ended 30 June 2016 have been prepared under the historical cost basis.

The unaudited consolidated financial results of the Group for the three months ended 30 June 2016 are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and its major subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

In the current period, the Group has adopted new and revised HKFRSs, amendments to HKASs and Interpretations (“**Ints**”) (hereinafter collectively referred to as “**new and revised HKFRSs**”) issued by the HKICPA that are relevant to the Group and effective for accounting periods beginning on or after 1 January 2016. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current and prior periods.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective.

The Group is in the process of assessing their impacts on the Group’s results and financial position.

The significant accounting policies that have been used in the preparation of the unaudited consolidated financial results of the Group are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2016, except for the adoption of the new and revised HKFRSs.

The preparation of the unaudited consolidated financial results of the Group for the three months ended 30 June 2016 is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies. The unaudited consolidated financial results of the Group should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 March 2016.

4. REVENUE

Revenue represents the fair value of amounts received and receivable for services rendered by the Group to outside customers, less discount.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- | | | |
|---|---|--|
| (i) Substructure building works services | — | demolition and hoarding, site formation and foundation works |
| (ii) Superstructure building works services | — | development and redevelopment of educational, residential, and commercial buildings |
| (iii) RMAA works services | — | improvement, fitting-out works, renovation works, restoration works and external works |

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Substructure building works services	27,565	14,763
Superstructure building works services	74,505	47,194
RMAA works services	34,119	519
	136,189	62,476

5. PROFIT BEFORE INCOME TAX

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Profit before tax has been arrived at after charging the following:		
Depreciation	1,153	1,154
Staff costs	9,297	5,745

6. INCOME TAX

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Current tax		
— Hong Kong profits tax	1,459	590
Deferred tax	(135)	(43)
	1,324	547

Hong Kong profits tax has been provided at the rate of 16.5% based on the estimated assessable profits of the Group for the periods as stated above.

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2016. (three months ended 30 June 2015: Nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per Share is based on the following data:

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Earnings:		
Earnings for the purpose of calculating basic earnings per Share (Profit for the period attributable to owners of the Company)	6,445	2,483
Number of Shares:		
Weighted average number of ordinary Shares for the purpose of basic earnings per Share	1,000,000,000	800,000,000

Note: The number of ordinary Shares for the purpose of calculating basic earnings per Share has been determined on the assumption that the Reorganisation and the Capitalisation Issue as defined in the Prospectus had been effective on 1 April 2015.

Diluted earnings per share amount was the same as basic earnings per share amount as there were no potential dilutive ordinary shares outstanding for the three months ended 30 June 2015 and 2016.

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECT

The Group is a main contractor in Hong Kong principally engaged in providing (i) substructure building works services; (ii) superstructure building works services; and (iii) RMAA works services.

In general, substructure and superstructure building works refer to building works in relation to the parts of the structure below or above the ground level respectively, while RMAA works are for existing structures. The scope of our substructure building works projects consisted of demolition and hoarding, site formation and foundation works. The scope of our superstructure building works projects consisted of development and redevelopment of educational, residential, and commercial buildings, the scope of our RMAA works consisted of improvement, fitting-out works, renovation works, restoration works and external works.

On 29 March 2016, the Company was successfully listed on GEM. The Listing greatly promoted the Group's brand in Hong Kong as well as provided the Group with a readily accessible capital platform for the Group's future business development. The proceeds received have strengthened the Group's cash flow and the Group will implement its future plans and business strategies according to the schedule set out in the Prospectus. The net proceeds will be applied towards reserving more capital to satisfy our potential customers' requirement for surety bond, expanding our workforce, and arranging and sponsoring our engineering staff to attend external technical seminars and occupational health and safety courses, acquiring machinery and reducing our gearing ratio.

Looking ahead to the second half of 2016 and 2017, the global economic environment is likely to remain challenging but the Group is confident about the outlook and the prospects of the construction market in Hong Kong. We believe that we are well positioned to expand our market share and maintain our active status in the construction main contracting industry in Hong Kong. In view of our potential undertaking of more projects in the future, with the Listing of the Company in 2016, it will provide more available resource to the Group to engage in the current business as well as further expanding the scope of services.

FINANCIAL REVIEW

Revenue

For the three months ended 30 June 2016, revenue of the Group increased by HK\$73.7 million or 118.0% to approximately HK\$136.2 million as compared with the corresponding period in 2015. Such increase was mainly due to the increase in both substructure, superstructure and RMAA services provided by the Group as a result of the overall development in the construction industry in Hong Kong and the increase in number of contracting projects undertaken by the Group during the three months ended 30 June 2016.

Cost of Revenue

For the three months ended 30 June 2016, the Group's cost of revenue increased by about HK\$65.9 million or 122.6% to approximately HK\$119.7 million as compared with the corresponding period in 2015. Such increase was mainly attributable to the increase in the subcontracting charges with the increase in number of contracting projects undertaken by the Group during the three months ended 30 June 2016.

Gross Profit

Gross profit of the Group increased by approximately HK\$7.8 million from approximately HK\$8.7 million for the three months ended 30 June 2015 to approximately HK\$16.5 million for the three months ended 30 June 2016. The increase was mainly driven by the result of increase in revenue for the three months ended 30 June 2016 as discussed above.

Other Income and Gains

For the three months ended 30 June 2016, the Group's other income and gains amounted to approximately HK\$12,000, representing a decrease of approximately HK\$481,000 compared with the corresponding period in 2015. The decrease was mainly due to the one-off gain of HK\$400,000 from disposal of non-current asset held for sale for the three months ended 30 June 2015.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group increased by approximately HK\$2.9 million from approximately HK\$5.7 million for the three months ended 30 June 2015 to approximately HK\$8.6 million for the three months ended 30 June 2016. Administrative expenses primarily consist of staff costs. The increase was attributable to the increase in staff salary and bonus due to business expansion and increase in compliance and professional fees incurred after the listing of the Company.

Income Tax

Income tax for the Group increased by approximately HK\$0.8 million from approximately HK\$0.5 million for the three months ended 30 June 2015 to approximately HK\$1.3 million for the three months ended 30 June 2016. The increase was mainly due to the increase in profit before income tax.

Profit and Total Comprehensive Income for the Period

Profit and total comprehensive income for the three months ended 30 June 2016 increased by approximately 159.6% to approximately HK\$6.4 million, as compared with the corresponding period in 2015. Such increase was mainly attributable to the increase in gross profit of approximately HK\$7.8 million on one hand and the increase in administrative and other operating expenses of approximately HK\$2.9 million on the other hand.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interest and Short Position in Shares, Underlying Shares and Debentures

As at 30 June 2016, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares of the Company

Name of Directors	Company/name of associated company	Nature of interest	Number and class of securities	Approximate percentage of issued share capital
Mr. Ng Choi Wah	The Company	Interest in a controlled corporation	700,000,000 Shares (Note)	70%
	JT Glory Limited	Beneficial interest	100 shares of US\$1.00 each	100%

Note: The Shares are registered in the name of JT Glory Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Ng Choi Wah. Under the SFO, Mr. Ng Choi Wah is deemed to be interested in all the Shares held by JT Glory Limited.

Short positions in shares of the Company

As at 30 June 2016, there is no short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO).

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as the Directors are aware, as at 30 June 2016, other than the director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long positions in shares of the Company:

Name	Capacity	Number of Shares held	Percentage of shareholding
JT GLory Limited	Beneficial owner	700,000,000 (Note 1)	70%
Ms. Cheung Yuk Sheung	Interest of spouse	700,000,000 (Note 2)	70%

Notes:

1. JT Glory Limited is wholly-owned by Mr. Ng Choi Wah. Under the SFO, Mr. Ng Choi Wah is deemed to be interested in all the Shares held by JT Glory Limited.
2. Mr. Cheung Yuk Sheung is the spouse of Mr. Ng Choi Wah. Under the SFO, Ms. Cheung Yuk Sheung is deemed to be interested in all the Shares held by Mr. Ng Choi Wah.

Short positions in shares of the Company:

As at 30 June 2016, there is no short positions of every person, other than a director and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Competing Business and Conflict of Interests

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the three months ended 30 June 2016.

Interests of Compliance Adviser

As notified by the compliance adviser of the Company, Kingsway Capital Limited ("**Kingsway**"), as at 30 June 2016, save for the compliance agreement dated 13 January 2016 entered between the Company and Kingsway, neither Kingsway, its directors, employees, and associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Purchase, Sales or Redemption of Listed Securities of the Company

During the three months ended 30 June 2016, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance Code

To the best knowledge of the Directors, during the three months ended 30 June 2016, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules.

Code of Conduct Regarding Securities Transactions by Directors

The Company adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Based on specific enquiry with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance for the three months ended 30 June 2016.

Share Option Scheme

The Company conditionally adopted a share option scheme on 10 March 2016 (the "**Scheme**").

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2016.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") on 10 March 2016 with its written terms of reference in compliance with the CG Code. The Audit Committee consists of three members, namely Mr. Chau Kam Wing Donald, Dr. Wai Wing Hong Onyx and Mr. Tong Hin Sum Paul, all being independent non-executive Directors of the Company. Mr. Chau Kam Wing Donald currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial results of the Group for the three months ended 30 June 2016.

By order of the Board
Ching Lee Holdings Limited
Ng Choi Wah
Chairman

Hong Kong, 2 August 2016

As at the date of this announcement, the executive Directors are Mr. Ng Choi Wah, Mr. Lui Yiu Wing and Mr. Lam Ka Fai; and the independent non-executive Directors are Dr. Wai Wing Hong Onyx, Mr. Tong Hin Sum Paul and Mr. Chau Kam Wing Donald.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.chingleeholdings.com.