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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: 3728)

SUPPLEMENTAL ANNOUNCEMENT TO DISCLOSEABLE TRANSACTION IN RELATION TO THE FORMATION OF PROJECT COMPANY UNDER THE COOPERATION FRAMEWORK AGREEMENT

Reference is made to the announcement of Ching Lee Holdings Limited (the “**Company**”) dated 9 December 2021 (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Company would like to provide the following supplemental information in relation to (1) the identities of the ultimate beneficial owners of the Partners, the Vendor and the Target Company; and (2) the additional information in relation to the basis for determination of the total capital contribution:

INFORMATION OF THE PARTNERS, THE VENDOR AND THE TARGET COMPANY

As at the date of the Announcement, to the best of the Company’s knowledge, information and belief, having made all reasonable enquiries:

1. Zun Wang is ultimately wholly owned by Mr. Chen Jiahui;
2. RJHK is ultimately wholly owned by Mr. Jian Weiwen;
3. Gainful Asset Management is ultimately wholly owned by Mr. Chen Weisong;
4. The Target Company is wholly owned by China Expert Development Limited, the Vendor; and
5. The Vendor is ultimately owned as to 70% equity interest by Mr. Choi King Hung.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Partners, the Vendor and the Target Company and their respective ultimate beneficial owners are Independent Third Parties.

BASIS OF CAPITAL CONTRIBUTION TO THE PROJECT COMPANY

The Board wishes to provide the following additional information in relation to the basis for determining the total capital contribution under the Cooperation Framework Agreement.

The amount of the capital contribution of HK\$120 million to be injected by the Parties into the Project Company (including the contribution of the registered share capital of the Project Company of US\$50,000), in which approximately HK\$111.5 million will be the consideration of the entire interest of the Target Company under the Corporation Framework Agreement.

To the best of the Directors' knowledge, the properties that are legally and beneficially owned by the Target Company in Hong Kong. The principal activities of the Target Company are letting of properties for rental income in Hong Kong and the properties are the main assets of the Target Company. The basis for determining the purchase price of the Target Company is with reference to the market value of the properties and the sale prices of comparable developed properties of similar size, character and location.

The remaining capital contribution of approximately HK\$8.5 million will be used as the initial working capital and the cash reserves for the incorporation, operation and the development of the Project Company, including but not limited to the legal fees for carrying out due diligence on the Target Company and the properties, the architectural design fees for the development of the properties, and other related professional fees.

Save as disclosed above, all other information as set out in the Announcement remain unchanged.

By order of the Board
Ching Lee Holdings Limited
Mr. NG Choi Wah
Chairman

Hong Kong, 14 December 2021

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.