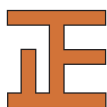


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Ching Lee Holdings Limited

正利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3728)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL RESULTS

The board of directors (the “**Board**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2025 together with the comparative audited figures for the year ended 31 March 2024, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4	1,281,422	896,689
Cost of revenue		(1,194,373)	(820,107)
Gross profit		87,049	76,582
Other income and gains or losses	5	2,210	1,629
Administrative and other operating expenses		(62,945)	(53,384)
Expected credit loss on financial assets, net		(788)	(200)
Impairment loss on interest in an associate		(1,498)	–
Finance costs	7	(12,033)	(11,648)
Share of results of an associate		32	522
Profit before income tax	6	12,027	13,501
Income tax	8	(2,604)	(2,809)
Profit for the year		9,423	10,692
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
– Remeasurements of provision for long service payments		250	21
Other comprehensive income for the year		250	21
Total comprehensive income for the year		9,673	10,713
Earnings per share:			
– Basic and Diluted (HK cents)	10	0.93	1.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		31,264	32,078
Investment property		7,690	–
Intangible asset		790	790
Interest in an associate		13,260	14,726
Financial assets at fair value through profit or loss		23,012	24,226
Deposits	11	2,530	223
Deferred tax assets		113	165
		<hr/>	<hr/>
Total non-current assets		78,659	72,208
		<hr/>	<hr/>
Current assets			
Trade and other receivables	11	121,098	78,205
Contract assets		376,563	355,879
Amount due from an associate		6,714	6,564
Pledged bank deposits		–	25,000
Bank balances and cash		50,111	43,006
		<hr/>	<hr/>
Total current assets		554,486	508,654
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	12	354,394	274,631
Contract liabilities		7,312	11,576
Lease liabilities		1,545	1,277
Bank borrowings, secured		131,060	164,157
Provision of taxation		660	765
		<hr/>	<hr/>
Total current liabilities		494,971	452,406
		<hr/>	<hr/>
Net current assets		59,515	56,248
		<hr/>	<hr/>
Total assets less current liabilities		138,174	128,456
		<hr/>	<hr/>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities			
Provision for long service payments	<i>12</i>	1,017	717
Lease liabilities		476	731
		<hr/>	<hr/>
Total non-current liabilities		1,493	1,448
		<hr/>	<hr/>
Net assets		136,681	127,008
		<hr/>	<hr/>
Capital and reserves			
Share capital	<i>13</i>	10,130	10,130
Reserves		126,551	116,878
		<hr/>	<hr/>
Total equity		136,681	127,008
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025

1. GENERAL INFORMATION

Ching Lee Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 16 November 2015. Its shares are listed on Main Board of the Stock Exchange.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of construction and consultancy works and project management services in Hong Kong (the “**Construction Works**”) and holding properties for rental purpose.

The directors of the Company consider the Company’s ultimate parent is JT Glory Limited, a company incorporated in the British Virgin Islands (“**BVI**”).

2. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of amended HKFRS Accounting Standards

The Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) has issued a number of amended HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these amended HKFRS Accounting Standards has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective and not early adopted

The following new or amended HKFRS Accounting Standards, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the Group's consolidated financial statements, the application of the new standard is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

Except for the above, these new or amended HKFRS Accounting Standards are preliminary assessed and are not expected to have any significant impact on the Group's consolidation financial statements.

3. SEGMENT REPORTING

The executive directors of the Company, who are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategic decisions.

Management regularly reviews the operating results from a project-based perspective. The reportable operating segment derives revenue primarily from provision of construction and consultancy works and project management services. Business segment information is not considered necessary other than the Group's results and financial position as a whole by the executive directors of the Company.

The Group's revenue and results are all derived from provision of construction and consultancy works and project management services in Hong Kong and no consolidated assets of the Group are located outside Hong Kong.

Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	2025 HK\$'000	2024 HK\$'000
Customer I	317,283	N/A ¹
Customer II	213,633	N/A ¹
Customer III	134,306	N/A ¹
Customer IV	N/A ¹	124,155
Customer V	N/A ¹	121,230
Customer VI	N/A ¹	91,215

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective period.

4. REVENUE

Revenue, which is also the Group's turnover, represents the Construction Works income. Revenue recognised from the principal activities during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contract with customers by major services:		
Substructure building works services	–	3,813
Superstructure building works services	1,278,389	881,143
Repair, maintenance, alteration and addition services	3,033	11,733
	1,281,422	896,689

5. OTHER INCOME AND GAINS OR LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	1,211	527
Subsidies from an industry association in relation to provision of Construction Works	1,333	1,247
Sales of scrap materials	339	895
Gain on early termination of lease	15	–
Dividend income from financial assets at fair value through profit or loss	–	805
Government subsidies – Employment Support Scheme	–	123
Changes in fair value of financial assets at fair value through profit or loss	(1,214)	(2,545)
Others	526	577
	<u>2,210</u>	<u>1,629</u>

6. PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting) the following:

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	1,280	1,280
Depreciation in respect of:		
– Owned assets	542	225
– Leased assets	3,739	3,523
– Investment property	90	–
	<u>4,371</u>	<u>3,748</u>
Employee benefit expenses (including directors' emoluments)		
– Salaries, allowances and other benefits	90,812	74,999
– Contribution to defined contribution retirement plan	3,039	2,768
– Provision for long service payments	532	101
	<u>94,383</u>	<u>77,868</u>
Short-term leases expenses:		
– Buildings	1,924	1,904
– Equipment	34,343	27,252
Written off of contract assets	5,130	–
Gain on early termination of lease	(15)	–

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings	11,794	11,343
Interest on lease liabilities	239	305
	<u>12,033</u>	<u>11,648</u>

8. INCOME TAX

The amounts of income tax in the consolidated statement of comprehensive income represent:

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong Profits Tax	2,603	2,673
– Over-provision for prior years	(51)	(86)
Deferred tax	52	222
	<u>2,604</u>	<u>2,809</u>

Hong Kong profits tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year with tax relief of ceiling of HK\$1,500 (2024: HK\$3,000) per case, except for one subsidiary of the Group which is qualifying entity under the two-tiered profits tax regime. Under which, two-tiered rates on the estimated assessable profits arising in Hong Kong at 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million.

The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group.

9. DIVIDEND

The board of directors did not declare an interim dividend during the years. The board of directors did not recommend the payment of any final dividend for the years ended 31 March 2025 and 2024.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share	<u>9,423</u>	<u>10,692</u>

	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,013,000,000	1,013,000,000
Effect of dilutive potential ordinary shares:		
– Share options (<i>Note</i>)	<u>N/A</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,013,000,000</u>	<u>1,013,000,000</u>

Note: For the years ended 31 March 2025 and 2024, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of the Company's share options was higher than the average market price for shares.

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	80,089	45,171
Less: Expected credit loss	<u>(702)</u>	<u>(224)</u>
	79,387	44,947
Other deposits	3,068	2,964
Secured deposits for surety bonds	5,994	–
Dividend receivable	87	87
Other receivables (<i>Note</i>)	<u>6,932</u>	<u>7,173</u>
	16,081	10,224
Less: Expected credit loss	<u>(4,999)</u>	<u>(4,726)</u>
	11,082	5,498
Prepayments	90,469	50,445
	<u>33,159</u>	<u>27,983</u>
	123,628	78,428
Less: Deposits under non-current assets		
Rental deposits under non-current assets	(355)	(223)
Secured deposits for surety bonds under non-current assets	<u>(2,175)</u>	<u>–</u>
Total deposits under non-current assets	<u>(2,530)</u>	<u>(223)</u>
	<u>121,098</u>	<u>78,205</u>

Note: As at 31 March 2025, included in other receivables was an amount of approximately HK\$20,000 (2024: HK\$20,000) due from the ultimate holding company of the Group. The amount due is unsecured, interest-free and repayable on demand.

Movements in the expected credit loss in respect of trade receivables during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	224	647
Expected credit loss recognised/(reversed) during the year	478	(73)
Written off during the year	<u>—</u>	<u>(350)</u>
At end of year	<u>702</u>	<u>224</u>

Movements in the expected credit loss in respect of other receivables during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	4,726	4,724
Expected credit loss recognised during the year	<u>273</u>	<u>2</u>
At end of year	<u>4,999</u>	<u>4,726</u>

The ageing analysis of trade receivables, based on invoice date, as at the end of reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	64,053	44,947
31-60 days	6,200	—
61-90 days	4,462	—
91-180 days	—	—
181-365 days	<u>4,672</u>	<u>—</u>
	<u>79,387</u>	<u>44,947</u>

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>Note</i>)	257,181	198,064
Retention payables	77,094	59,528
Other payables, accruals and deposits received	20,119	17,021
Provision for long service payments	1,017	735
	<u>355,411</u>	<u>275,348</u>
Less: Provision for long service payments under non-current liabilities	<u>(1,017)</u>	<u>(717)</u>
	<u><u>354,394</u></u>	<u><u>274,631</u></u>

Note: The credit period granted by suppliers and contractors is normally 30 to 60 days.

The ageing analysis of trade payables, based on invoice date, as of the end of reporting period, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	182,670	112,281
31–60 days	21,105	46,397
61–90 days	27,512	16,411
91–180 days	18,494	15,305
181–365 days	2,346	496
Over 365 days	5,054	7,174
	<u>257,181</u>	<u>198,064</u>

13. SHARE CAPITAL

The share capital as at 31 March 2025 and 2024 represented the issued share capital of the Company as detailed below:

Ordinary shares of HK\$0.01 each	Number	HK\$'000
Authorised		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	10,000,000,000	100,000
Issued and fully paid		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,013,000,000	10,130

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

We are a main contractor in Hong Kong principally engaged in providing (i) substructure building works services; (ii) superstructure building works services; and (iii) repair, maintenance, alteration and addition for an existing structure (“**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, and the scope of our RMAA works consisted of improvement, fitting-out works, renovation works, restoration works and external works.

In view of the long-term growth in the property rental market in Hong Kong, the Group decided to acquire properties for rental purpose and include it in the principal activities of the Group. Hence, the Group acquired a property in November 2024 and subsequently rented out in April 2025 with monthly rental income of HK\$25,000. The rental income is recognised as revenue for the financial year ending 31 March 2026.

The Group’s revenue for the year ended 31 March 2025 recorded at approximately HK\$1,281.4 million which represented an increase of approximately HK\$384.7 million or 42.9% from approximately HK\$896.7 million for the year ended 31 March 2024.

	Year ended 31 March		Increase/ (Decrease)
	2025	2024	
	HK\$’000	HK\$’000	%
Substructure building works services	–	3,813	(100.0)
Superstructure building works services	1,278,389	881,143	45.1
RMAA works services	3,033	11,733	(74.1)
	<u>1,281,422</u>	<u>896,689</u>	42.9

(i) Substructure building works services

For the year ended 31 March 2025, revenue recorded HK\$Nil in this segment (2024: approximately HK\$3.8 million). The decrease by approximately HK\$3.8 million was mainly due to no project was undertaken during the year ended 31 March 2025.

(ii) Superstructure building works services

For the year ended 31 March 2025, revenue recorded in this segment amounted to approximately HK\$1,278.4 million (2024: approximately HK\$881.1 million). The increase by approximately HK\$397.2 million was mainly due to the increase in number of new projects commenced during the year ended 31 March 2025.

(iii) RMAA works services

For the year ended 31 March 2025, revenue recorded in this segment amounted to approximately HK\$3.0 million (2024: approximately HK\$11.7 million). The decrease by approximately HK\$8.7 million was mainly due to fewer projects were undertaken as compared to the year ended 31 March 2024.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2025 recorded at approximately HK\$1,281.4 million which represented an increase of approximately HK\$384.7 million or 42.9% from approximately HK\$896.7 million for the year ended 31 March 2024. The increase in total was mainly due to an increase in superstructure building works services amount to approximately HK\$397.2 million, partially offset by a decrease from RMAA works services amount to approximately HK\$8.7 million.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately HK\$10.5 million or 13.7%, from approximately HK\$76.6 million for the year ended 31 March 2024 to approximately HK\$87.0 million for the year ended 31 March 2025. The increase was mainly due to the increase in the number of projects commenced for the year ended 31 March 2025. During the year ended 31 March 2025, the gross profit margin was approximately 6.8%, which is lower than the gross profit margin of prior year of approximately 8.5%.

Other Income and Gains or Losses

Other income and gains or losses increased by approximately HK\$0.6 million or 35.7% from approximately HK\$1.6 million for the year ended 31 March 2024 to approximately HK\$2.2 million for the year ended 31 March 2025. The increase was mainly due to the changes in fair value of financial assets at fair value through profit or loss ("FVTPL") and an increase in bank interest income were offset by a decrease in dividend income from financial assets at FVTPL.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by approximately HK\$9.6 million or 17.8% from approximately HK\$53.4 million for the year ended 31 March 2024 to approximately HK\$62.9 million for the year ended 31 March 2025.

Administrative and other operating expenses mainly consist of employee benefit expense (including salaries, allowances, other benefits, contribution to defined contribution retirement plan and provision for long services payments), legal & professional fee, business development cost, depreciation and others. The increase was mainly attributable to a non recurring written off of contract assets of approximately HK\$5.1 million and the increase in employee benefit expense of approximately HK\$4.7 million driven by the increase in number of employees.

Finance Costs

Finance costs increased by approximately HK\$0.4 million or 3.3% from approximately HK\$11.6 million for the year ended 31 March 2024 to approximately HK\$12.0 million for the year ended 31 March 2025, which was mainly due to an increase in average bank borrowings during the year ended 31 March 2025.

Income Tax

Income tax decreased by approximately HK\$0.2 million or 7.3% from approximately HK\$2.8 million for the year ended 31 March 2024 to approximately HK\$2.6 million for the year ended 31 March 2025.

Profit for the Year Attributable to the Owners of the Company

Net profit decreased by approximately HK\$1.3 million or 11.9% from approximately HK\$10.7 million for the year ended 31 March 2024 to approximately HK\$9.4 million for the year ended 31 March 2025.

The decrease in net profit was mainly due to the increase in gross profit which resulted from more new superstructure building works services projects commenced and offset by the increase in employee benefit expenses and impairment loss on interest in an associate.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had total assets of approximately HK\$633.1 million, which is financed by total liabilities and shareholders' equity of approximately HK\$496.5 million and HK\$136.7 million, respectively. The Group's current ratio remained stable at approximately 1.1 as at 31 March 2024 and 31 March 2025.

GEARING RATIO

The gearing ratio of the Group as at 31 March 2025 was approximately 97.4% (31 March 2024: approximately 130.8%), which is calculated based on the total lease liabilities and total bank borrowings divided by total equity as at the respective reporting date.

CONTINGENT LIABILITIES

As at 31 March 2025, there were no significant contingent liabilities for the Group.

COMMITMENTS

As at 31 March 2025, there were no significant capital commitments for the Group.

CHARGES ON GROUP ASSETS

Assets with a carrying value of approximately HK\$84.7 million were pledged as securities for the Group's banking facilities.

SEGMENT INFORMATION

Segment information is presented for the Group as disclosed on note 3 to this results announcement.

FOREIGN EXCHANGE EXPOSURE

The Group was not exposed to foreign exchange risk during the year ended 31 March 2025.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year. Interest for the current bank borrowings were mainly on floating rate basis and the bank borrowings were denominated in Hong Kong dollars, hence, there is no significant exposure to foreign exchange rate fluctuations.

CAPITAL STRUCTURE

The shares of the Company were successfully transferred from the GEM Board to the Main Board of the Stock Exchange on 18 September 2017. On 10 May 2018, the Company has allotted and issued 13,000,000 consideration shares at an issue price of HK\$0.39 per consideration share as part of the consideration in accordance with the terms and conditions of the Share Purchase Agreement of the acquisition of 30% of New Bright Engineering Limited. There has been no other change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2025, the Company's issue share capital was HK\$10,130,000 and the number of its issued ordinary share was 1,013,000,000 of HK\$0.01 each.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have plans for material investments or capital assets during the year ended 31 March 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 March 2025, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed a total of 251 employees (31 March 2024: 171 employees). The staff costs of our Group (including salaries, allowances, other benefits, contribution to defined contribution retirement plan and provision for long service payments) for the year ended 31 March 2025 were approximately HK\$94.4 million (31 March 2024: approximately HK\$77.9 million).

The remuneration package for our employees generally includes salary and bonuses. Our employees also receive welfare benefits, including exam leave, retirement benefits, occupational injury insurance, medical insurance and other miscellaneous items. We conduct annual review of the performance of our employees for determining the level of bonus, salary adjustment and promotion of our employees. Our executive directors will also conduct research on the remuneration packages offered for similar positions in the Hong Kong construction main contracting industry in order to keep our remuneration packages at a competitive level. We have also adopted the Share Option Scheme which is designed to provide incentives and rewards to our employees.

SIGNIFICANT INVESTMENTS HELD

Except for investment in its subsidiaries and investment in an associate, the Group did not hold any significant investments during the year ended 31 March 2025.

EVENTS AFTER THE REPORTING PERIOD

There were no materials events after the reporting period.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group believes that the risk management practices are important and use its best effort to ensure it is sufficient to mitigate the risks present in our operations and financial position as efficiently and effectively as possible.

- I. Our revenue is mainly derived from projects which are not recurring in nature and any significant decrease in the number of our projects would affect our operations and financial results;
- II. We depend on our suppliers for concrete, steel and other construction materials, and any shortage or delay of supply, or deterioration in the quality, of the same could materially and adversely affect our operations, and we may not be able to identify an alternative source of stable supply with acceptable quality and price;
- III. We may be involved in construction and/or labour disputes, legal and other proceedings arising from our operations from time to time and may face significant legal liabilities as a result;
- IV. We determine our tender price based on the estimated time and costs to be involved in a project, yet the actual time and costs incurred may deviate from our estimate due to unexpected circumstances, thereby adversely affecting our operations and financial results;
- V. We rely on our Board members and senior management staff, and their departure would adversely affect our operations and financial results;

- VI. Our works are labour intensive. If we or our subcontractors experience any shortage of labour, industrial actions, strikes or material increase in labour costs, our operations and financial results would be adversely affected;
- VII. Expiry, withdrawal, revocation, downgrading and/or failure to renew any of our various registrations and certifications would adversely affect our operations and financial results; and
- VIII. There is no guarantee that we would not be subject to any claims in relation to defects of our works, which may result in further costs to make good the defects, and/or deduction of the retention monies to be released and/or claims from our customers against us.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2025.

DIVIDEND

The board of directors did not declare an interim dividend during the years.

The board of directors did not recommend the payment of any final dividend for the year ended 31 March 2025 (2024: nil).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as a code of conduct regarding directors' securities transactions.

All the directors have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code for the year ended 31 March 2025 and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee with the written terms of reference in compliance with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules. The Group's consolidated financial statements for the year ended 31 March 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2025 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

CORPORATE GOVERNANCE PRACTICE

Pursuant to the code provision C.2.1 of the CG Code, the roles of Chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Ng Choi Wah currently assumes the role of both chairman of the Company and chief executive of the Company. In view that Mr. Ng has been assuming day-to-day responsibilities in operating and managing our Group since 1998 and the rapid development of our Group, the Board believes that with the support of Mr. Ng's extensive experience and knowledge in the business of the Group, vesting the roles of both Chairman and chief executive officer of our Company in Mr. Ng strengthens the solid and consistent leadership and thereby allows for efficient business planning and decision which is in the best interest to our Group. Mr. Ng delegates the role and responsibilities including operations, management, business development and strategy planning of the Group to other executive directors. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary.

In the opinion of the Board, the Company has complied with the principles and code provisions in the CG Code as set out in Appendix C1 to the Listing Rules with the exception for code provision C.2.1 as disclosed above for the year ended 31 March 2025.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO 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 assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chingleeholdings.com). The annual report for the year ended 31 March 2025 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

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

Hong Kong, 30 June 2025

As at the date of this announcement, the executive directors are Mr. Ng Choi Wah, Ms. Ng Wa Ying 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.