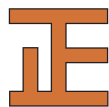


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Ching Lee Holdings Limited

正利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3728)

**CONNECTED TRANSACTION
PROVISION OF SUPERSTRUCTURE SERVICES**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



First Global Corporate Finance Co., Limited

SUPERSTRUCTURE LETTER OF AWARD

On 31 July 2026, Ching Lee Engineering, an indirect wholly-owned subsidiary of the Company, and Maxfield International, entered into the Superstructure Letter of Award, pursuant to which Maxfield International agreed to conditionally award the Superstructure Services to Ching Lee Engineering for a total contract sum of HK\$81,500,000.

LISTING RULES IMPLICATIONS

As Maxfield International is wholly-owned by Mr. Ng, Maxfield International is a connected person of the Company under the Listing Rules and the transaction contemplated under each of the Site Clearance Letter of Award and Superstructure Letter of Award constitutes connected transactions under Chapter 14A of the Listing Rules.

Since the Site Clearance Letter of Award and the Superstructure Letter of Award are entered into within 12 months in relation to the works to be performed for the Project, and when calculated on an aggregated basis, the highest applicable percentage ratio in respect of the Letter of Awards is more than 5%, the transaction contemplated under the Superstructure Letter of Award is subject to the reporting, announcement, circular (including the letter from the Independent Financial Adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The EGM will be held for the Independent Shareholders to consider and, if thought fit, approving the Superstructure Letter of Award and the transaction contemplated thereunder. A circular containing, among other things, details of the Superstructure Letter of Award and the transaction contemplated thereunder, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the letter from the Independent Board Committee to the Independent Shareholders, together with the notice of EGM, is expected to be despatched to the Shareholders on or before 21 August 2026.

SUPERSTRUCTURE LETTER OF AWARD

On 31 July 2026, Ching Lee Engineering, an indirect wholly-owned subsidiary of the Company, and Maxfield International, entered into the Superstructure Letter of Award, pursuant to which Maxfield International agreed to conditionally award the Superstructure Services for the Project to Ching Lee Engineering for a total contract sum of HK\$81,500,000.

The principal terms of the Superstructure Letter of Award and the corresponding Construction Contract are as follows:

Date : 31 July 2026

Parties : (i) Ching Lee Engineering
(ii) Maxfield International

Subject matter : Maxfield International agreed to conditionally award the Superstructure Services to Ching Lee Engineering for a term of 360 calendar days commencing from the Commencement Date to the date of practical completion certified by the architect duly appointed by Maxfield International. The scope of work comprises the provision of superstructure construction works for the Project, including labour, materials, equipment and all ancillary works necessary for the completion of the Superstructure Services.

If the progress of the works is likely to be delayed due to certain situations as stipulated under the Superstructure Letter of Award such as force majeure, variation orders and discovery of antiquities on the site, the architect of Maxfield International shall estimate the length of the delay and make a fair and reasonable extension of time for completion of the works.

Contract sum : HK\$81,500,000

The contract sum was determined (i) based on arm's length negotiation between Ching Lee Engineering and Maxfield International in accordance with the project budget, taking into account, among others, the prevailing market price for relevant engineering, design, construction services and the scope of services provided; and (ii) with reference to the prices and terms normally offered by Ching Lee Engineering to independent third party customers and is no less favourable to the Group than those offered by the Group to its other independent third party customers.

Price policy : The prices for the products and services under the Superstructure Letter of Award shall be determined based on the following principles:

The prices shall be determined with reference to the prevailing market prices, which are the prices charged by Ching Lee Engineering and/or its associates for providing the same type of products and services to an independent third party customer on normal commercial terms.

The Company will make reference to the quotations offered by at least two independent third party suppliers for providing the same or similar products or services and will take into account the following factors:

- (i) in respect of materials and equipment required by the Company and/or its subsidiaries in their work, the Company takes into account the costs of the relevant products, quality requirements and logistic arrangements;
- (ii) in respect of construction services and maintenance services, the Company takes into account the scale, complexity and specifications of the projects, nature, amount of work to be performed, the capacity and experience of the supplier and time arrangement; and

- (iii) in respect of other operating costs, the Company takes into account the rental costs for the site office, site management expenses and utilities.

Ching Lee Engineering will charge a profit margin determined based on a reasonable projected gross profit margin for all transactions under the Superstructure Letter of Award, which the projected gross profit margin is determined by reference to the Group's prevailing cost structure and historical gross profit margins for projects of a similar nature and scale undertaken for independent third party customers and is no less favourable to the Group than those charged to independent third party customers. The Board (excluding Mr. Ng and the independent non-executive Directors) is of the view that such profit margin is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Company's Independent Shareholders.

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| Payment schedule | : | Payment of contract sum shall be received by Ching Lee Engineering based on the progress of the Project. Ching Lee Engineering shall prepare a statement setting out its estimate of the value of the works completed in the preceding month and submit the statement together with the payment application to Maxfield International. Upon receiving such statement, the architect of Maxfield International shall assess the estimation and issue an interim certificate certifying the works completed in the preceding month whereby the payment shall be made within one month. |
| Defects Liability Period | : | Ching Lee Engineering shall provide Maxfield International a defect liability period of 12 months from the date of practical completion certified by the architect duly appointed by Maxfield International, whereby Ching Lee Engineering shall be required to make good any defects within such period. |
| Liquidated and Ascertained Damages | : | In the event of any delay of the Project, the rate of liquidated and ascertained damages payable by Ching Lee Engineering shall be HK\$20,000 per day. |
| Guarantee | : | The Company shall guarantee for the benefit of Maxfield International due performance by Ching Lee Engineering of all of its obligations under the Construction Contract. |

Condition precedent : The Superstructure Letter of Award shall take effect upon the passing of the relevant resolutions by the Independent Shareholders at the EGM to approve the Superstructure Letter of Award and the transactions contemplated thereunder.

Ching Lee Engineering also entered into the Site Clearance Letter of Award pursuant to which Ching Lee Engineering shall provide Maxfield International certain site clearance work for the Project for a total contract sum of HK\$2,900,000 for a contract period of 60 calendar days. The contract sum was determined (i) based on arm's length negotiation between Ching Lee Engineering and Maxfield International in accordance with the project budget, taking into account, among others, the prevailing market price for relevant site clearance services provided; and (ii) with reference to the prices and terms normally offered by Ching Lee Engineering to independent third party customers and is no less favourable to the Group than those offered by the Group to its other independent third party customers. Payment of contract sum shall be received by Ching Lee Engineering based on the progress of the site clearance work performed for the Project.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPERSTRUCTURE LETTER OF AWARD

The Group operates as a main contractor in Hong Kong and is 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 works services. For the year ended 31 March 2026, the Group's superstructure building works services remains the primary revenue driver of the Group. It is expected that the Project will be developed into residential properties for sale. Given the Group's extensive experience and proven track record in delivering superstructure building works projects, the appointment of Ching Lee Engineering to provide construction services, including the Superstructure Services, for the Project would further strengthen the Group's portfolio of superstructure building projects which include development and redevelopment of educational, residential and commercial buildings. The Project is expected to enhance the Group's project pipeline, contribute to the revenue stream of the Group and support the continued growth of its financial performance.

The Directors (excluding Mr. Ng, who has abstained from voting on the board resolutions approving the Superstructure Letter of Award, and the independent non-executive Directors), are of the opinion that the terms of the Superstructure Letter of Award are fair and reasonable, the Superstructure Letter of Award and the transaction contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of the business of the Group and are in the interests of the Company and its Shareholders as a whole. The independent non-executive Directors will provide their opinion after reviewing the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

As Mr. Ng has material interest in the Superstructure Letter of Award, Mr. Ng has abstained from voting on the board resolutions approving the Superstructure Letter of Award. Save as disclosed above, no other Directors are regarded as having a material interest in the Superstructure Letter of Award.

INFORMATION ON THE PARTIES

Company and Ching Lee Engineering

The Company is an investment holding company. The principal activities of the Company and its subsidiaries are provision of construction and consultancy works and project management services in Hong Kong.

Ching Lee Engineering is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of construction and consultancy works and project management services in Hong Kong and holding properties for rental purpose.

Maxfield International

Maxfield International is wholly-owned by Mr. Ng and is an investment holding company incorporated in Hong Kong with limited liability. Maxfield International entered into a sale and purchase agreement with the registered owner of the Land Plot and, upon completion, Maxfield International will be the registered owner of the Land Plot. It is expected that the completion will take place in September 2026. Prior to completion, Maxfield International is granted a licence to occupy the Land Plot to perform certain site clearance works.

LISTING RULES IMPLICATIONS

As Maxfield International is wholly-owned by Mr. Ng, Maxfield International is a connected person of the Company under the Listing Rules and the transaction contemplated under each of the Site Clearance Letter of Award and Superstructure Letter of Award constitutes a connected transaction under Chapter 14A of the Listing Rules. As the Site Clearance Letter of Award will be conducted on normal commercial terms and the highest applicable percentage ratio in respect of the Site Clearance Letter of Award was less than 5% and the total consideration is less than HK\$3 million, the transaction in respect of the Site Clearance Letter of Award was fully exempt from all disclosure requirements under Chapter 14A of the Listing Rules on a standalone basis. Since the Site Clearance Letter of Award and the Superstructure Letter of Award are entered into within 12 months in relation to the works to be performed for the Project, and when calculated on an aggregated basis, the highest applicable percentage ratio in respect of the Letter of Awards is more than 5%, the transaction contemplated under the Superstructure Letter of Award is subject to the reporting, announcement, circular (including the letter from the Independent Financial Adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Ng is regarded to be materially interested in the transaction contemplated under the Superstructure Letter of Award, he had abstained from voting on the relevant board resolutions of the Company approving the Superstructure Letter of Award.

GENERAL INFORMATION

The EGM will be held for the Independent Shareholders to consider and, if thought fit, approving the Superstructure Letter of Award and the transaction contemplated thereunder.

Pursuant to the Listing Rules, any Shareholder who has a material interest in the transaction contemplated under the Superstructure Letter of Award is required to abstain from voting on the relevant resolution at the EGM. Accordingly, Mr. Ng and his respective associates will be required to abstain from voting on the resolution approving the Superstructure Letter of Award.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders, among other things, whether the terms of the Superstructure Letter of Award are fair and reasonable, the Superstructure Letter of Award and the transaction contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of the business of the Group and are in the interests of the Company and its shareholders as a whole.

First Global Corporate Finance Co., Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Superstructure Letter of Award and the transaction contemplated thereunder.

A circular containing, among other things, details of the Superstructure Letter of Award and the transaction contemplated thereunder, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the letter from the Independent Board Committee to the Independent Shareholders, together with the notice of EGM, is expected to be despatched to the Shareholders on or before 21 August 2026.

DEFINITION

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company

“Ching Lee Engineering”	Ching Lee Engineering Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Commencement Date”	the date of site handover as notified and confirmed under the written instructions of the architect duly appointed by Maxfield International
“Company”	Ching Lee Holdings Limited, a company incorporated in Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code: 03728)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Construction Contract”	the main contract works contract for the proposed Project to be made between Ching Lee Engineering Limited and Maxfield International
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the Superstructure Letter of Award and the transaction contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the transaction contemplated under the Superstructure Letter of Award
“Independent Financial Adviser”	First Global Corporate Finance Co., Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Superstructure Letter of Award and the transaction contemplated thereunder

“Independent Shareholder(s)”	Shareholder(s) other than Mr. Ng and his associates and any Shareholder with a material interest in the Superstructure Letter of Award
“Land Plot”	Nos. 282-284 Cheung Sha Wan Road, Kowloon
“Letter of Awards”	the Site Clearance Letter of Award and the Superstructure Letter of Award
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maxfield International”	Maxfield International Investment Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Ng
“Mr. Ng”	Mr. Ng Choi Wah, executive Director and chairman of the Company and a controlling Shareholder
“Project”	the composite development project at Nos. 282-284 Cheung Sha Wan Road, Kowloon
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of the Company
“Site Clearance Letter of Award”	a letter dated 9 July 2026 and executed by Maxfield International and Ching Lee Engineering to confirm that Ching Lee Engineering’s tender for the site clearance services will be accepted on the terms as set out therein
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Superstructure Letter of Award”	a letter dated 31 July 2026 and executed by Maxfield International and Ching Lee Engineering to confirm that Ching Lee Engineering’s tender for the Superstructure Services will be accepted on the terms as set out therein

“Superstructure Services”	the construction, completion and maintenance of the superstructure works for the Project, including labour, materials, equipment and all ancillary works necessary for the completion of the services
“%”	per cent.

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

Hong Kong, 31 July 2026

As at the date of this announcement, the executive directors are Mr. Ng Choi Wah, Mr. Lam Ka Fai and Ms. Ng Wa Ying, the non-executive director is Mr. Tong Hin Sum Paul, and the independent non-executive directors are Dr. Wai Wing Hong Onyx, Mr. Chau Kam Wing Donald and Dr. Wai Yin Wah Agnes.