



Ching Lee Holdings Limited

正利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3728

2024

INTERIM REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors:

Mr. Ng Choi Wah (*Chairman*)
Mr. Lui Yiu Wing
Mr. Lam Ka Fai
Ms. Ng Wa Ying

Independent non-executive

Directors:

Dr. Wai Wing Hong Onyx
Mr. Tong Hin Sum Paul
Mr. Chau Kam Wing Donald

AUDIT COMMITTEE

Mr. Chau Kam Wing Donald (*Chairman*)
Dr. Wai Wing Hong Onyx
Mr. Tong Hin Sum Paul

REMUNERATION COMMITTEE

Dr. Wai Wing Hong Onyx (*Chairman*)
Mr. Ng Choi Wah
Mr. Chau Kam Wing Donald

NOMINATION COMMITTEE

Mr. Ng Choi Wah (*Chairman*)
Dr. Wai Wing Hong Onyx
Mr. Tong Hin Sum Paul

COMPANY SECRETARY

Mr. Tsui Wing Tak (*Certified Public Accountants*)

AUTHORISED REPRESENTATIVES

Mr. Ng Choi Wah
Mr. Lui Yiu Wing

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 203–204, 2nd Floor
Hang Bong Commercial Centre
28 Shanghai Street
Jordan
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Corporate Information

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
4–4A Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

Dah Sing Bank, Limited
Dah Sing Financial Centre
108 Gloucester Road
Hong Kong

Fubon Bank (Hong Kong) Ltd.
Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

Bank of Communication (Hong Kong) Ltd.
20 Pedder Street
Central
Hong Kong

COMPANY WEBSITE

www.chingleeholdings.com
(information of this website does not
form part of this report)

STOCK CODE

3728

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the **"Board"**) of Ching Lee Holdings Limited (our **"Company"**, together with our subsidiaries, our **"Group"**), I have the pleasure to present to you the unaudited interim results for the six months ended 30 September 2024.

OVERVIEW

The total revenue of the Group increased by approximately HK\$128.2 million or 28.8% from approximately HK\$445.0 million for the six months ended 30 September 2023 to approximately HK\$573.2 million for the six months ended 30 September 2024. In general, the increase in revenue was mainly due to a significant increase in superstructure building works services. Basic earnings per share for the six months ended 30 September 2024 was approximately HK0.37 cents as compared with approximately HK0.34 cents per share for the six months ended 30 September 2023.

FORWARD

Looking forward, the Group is confident with Hong Kong economic outlook and the prospects of Hong Kong's construction sector. In accordance with a falling interest rate environment and the government scrap of all property cooling measures, it is forecasted that the property market would be rather stable, hence fostering local construction industry development.

The Group will continue to focus on its core business 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. Being a main contractor in the private sector of Hong Kong, the Group will continue to explore business opportunities in the public sector as well. The Group's management aims at developing stronger presence within the industry in order to pursue favorable return for the shareholders.

Chairman's Statement

APPRECIATION

On behalf of the Board, I wish to take this opportunity to express my sincere gratitude to all our customers, shareholders and business partners for their continuous care and support. I would also like to thank all of our employees for their commitment and loyalty they have shown throughout the years.

By Order of the Board

Ng Choi Wah

Chairman

Hong Kong, 25 November 2024

Financial Highlights

- The Group recorded a revenue amounted to approximately HK\$573.2 million for the six months ended 30 September 2024, representing an increase of approximately 28.8% or HK\$128.2 million as compared with the six months ended 30 September 2023.
- The Group recognized net profit of approximately HK\$3.8 million for the six months ended 30 September 2024, representing an increase of approximately HK\$0.4 million or 10.0% as compared with the six months ended 30 September 2023.
- The basic and diluted earnings per share for the six months ended 30 September 2024 was approximately HK0.37 cents, as compared with the corresponding period in 2023 of approximately HK0.34 cents.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

Interim Results

The Board of the Company is pleased to announce the unaudited consolidated financial results of the Group for the six months ended 30 September 2024 together with the unaudited comparative figures for the corresponding period in 2023, as follows:

Unaudited Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

| | | Six months ended 30 September | |
|---|-------|----------------------------------|---------------------------------|
| | Notes | 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) |
| Revenue | 3 | 573,152 | 444,981 |
| Cost of revenue | | (533,779) | (410,029) |
| Gross profit | | 39,373 | 34,952 |
| Other income and gains or losses, net | 4 | 1,201 | 1,898 |
| Administrative and other operating expenses | | (29,470) | (27,459) |
| Finance costs | | (6,161) | (5,272) |
| Share of results of an associate | | (135) | 217 |
| Profit before income tax | | 4,808 | 4,336 |
| Income tax | 5 | (1,043) | (914) |
| Profit and total comprehensive income for the period | | 3,765 | 3,422 |
| Earnings per share | 7 | | |
| — Basic (HK Cents) | | 0.37 | 0.34 |
| — Diluted (HK Cents) | | 0.37 | 0.34 |

Unaudited Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2024

| | <i>Notes</i> | As at | |
|--|--------------|---|---|
| | | 30 September 2024 HK\$'000 (Unaudited) | 31 March 2024 HK\$'000 (Audited) |
| Non-current assets | | | |
| Property, plant and equipment | | 30,994 | 32,078 |
| Intangible asset | | 790 | 790 |
| Interest in an associate | | 14,591 | 14,726 |
| Financial asset at fair value through profit or loss | | 24,383 | 24,226 |
| Rental deposits | 8 | 223 | 223 |
| Deferred tax assets | | 165 | 165 |
| Total non-current assets | | 71,146 | 72,208 |
| Current assets | | | |
| Trade and other receivables | 8 | 122,948 | 78,205 |
| Contract assets | | 365,356 | 355,879 |
| Amount due from an associate | | 6,714 | 6,564 |
| Tax recoverable | | 236 | – |
| Pledged bank deposit | | – | 25,000 |
| Bank balances and cash | | 63,907 | 43,006 |
| Total current assets | | 559,161 | 508,654 |
| Current liabilities | | | |
| Trade and other payables | 9 | 291,183 | 274,631 |
| Contract liabilities | | 17,984 | 11,576 |
| Lease liabilities | | 1,531 | 1,277 |
| Bank borrowings, secured | | 186,408 | 164,157 |
| Provision of taxation | | 1,408 | 765 |
| Total current liabilities | | 498,514 | 452,406 |
| Net current assets | | 60,647 | 56,248 |
| Total assets less current liabilities | | 131,793 | 128,456 |

Unaudited Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2024

| | Note | As at | |
|--------------------------------------|------|---|---|
| | | 30 September 2024 HK\$'000 (Unaudited) | 31 March 2024 HK\$'000 (Audited) |
| Non-current liabilities | | | |
| Provision for long service payments | 9 | 717 | 717 |
| Lease liabilities | | 303 | 731 |
| Total non-current liabilities | | 1,020 | 1,448 |
| Net assets | | 130,773 | 127,008 |
| Capital and reserves | | | |
| Share capital | | 10,130 | 10,130 |
| Reserves | | 120,643 | 116,878 |
| Total equity | | 130,773 | 127,008 |

Unaudited Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

| | Share Capital HK\$'000 | Share premium HK\$'000 | Merger reserve HK\$'000 | Share option reserve HK\$'000 | Retained profits HK\$'000 | Total HK\$'000 |
|--|------------------------------|------------------------------|-------------------------------|--|---------------------------------|-------------------|
| At 1 April 2024 (audited) | 10,130 | 78,435 | (28,965) | 5,060 | 62,348 | 127,008 |
| Profit and total comprehensive income for the period | – | – | – | – | 3,765 | 3,765 |
| At 30 September 2024 (unaudited) | 10,130 | 78,435 | (28,965) | 5,060 | 66,113 | 130,773 |
| At 1 April 2023 (audited and restated) | 10,130 | 78,435 | (28,965) | 5,060 | 51,635 | 116,295 |
| Profit and total comprehensive income for the period | – | – | – | – | 3,422 | 3,422 |
| At 30 September 2023 (unaudited) | 10,130 | 78,435 | (28,965) | 5,060 | 55,057 | 119,717 |

Unaudited Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

| | Six months ended 30 September | |
|--|----------------------------------|---------------------------------|
| | 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) |
| Net cash used in operating activities | (20,248) | (32,537) |
| Net cash generated from/(used in) investing activities | 25,233 | (56) |
| Net cash generated from financing activities | 15,916 | 13,265 |
| Net increase/(decrease) in cash and cash equivalents | 20,901 | (19,328) |
| Cash and cash equivalents at beginning of the period | 43,006 | 57,000 |
| Cash and cash equivalents at ending of the period | 63,907 | 37,672 |

Notes to the Unaudited Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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 directors of the Company consider the Company's ultimate parent is JT Glory Limited, a company incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidation financial information for the six months ended 30 September 2024 is unaudited and has been prepared in accordance with Hong Kong Accounting Standards (**"HKAS"**) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the **"Listing Rules"**). The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2024.

The unaudited interim condensed consolidated financial information has been prepared under the historical cost convention and is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Notes to the Unaudited Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time for the current period's financial information.

| | |
|----------------------------------|---|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| HK Interpretation 5 (Revised) | Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |

The adoption of these amendments to HKFRSs has had no significant financial effect on the unaudited condensed interim financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

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

| | Six months ended 30 September | |
|--|----------------------------------|---------------------------------|
| | 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) |
| Substructure building works services | – | 1,096 |
| Superstructure building works services | 573,084 | 435,111 |
| RMAA works services | 68 | 8,774 |
| | 573,152 | 444,981 |

Notes to the Unaudited Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

4. OTHER INCOME AND GAINS OR LOSSES, NET

| | Six months ended 30 September | |
|--------------------------------------|----------------------------------|---------------------------------|
| | 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) |
| Bank interest income | 797 | 369 |
| HKSAR Government wage subsidies | – | 123 |
| Miscellaneous income ^{Note} | 404 | 1,406 |
| | 1,201 | 1,898 |

Note: Miscellaneous income mainly included the subsidies from an industry association in relation to provision of construction works of approximately HK\$0.2 million (for the six months ended 30 September 2023: approximately HK\$0.8 million).

5. INCOME TAX

| | Six months ended 30 September | |
|----------------------|----------------------------------|---------------------------------|
| | 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) |
| Current tax | | |
| Hong Kong profit tax | 1,043 | 914 |
| | 1,043 | 914 |

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 September 2024, Hong Kong Profit Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation and the remaining corporations are calculated at a flat rate of 16.5%.

Notes to the Unaudited Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

6. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attribute to the owners of the company is based on the following data:

| | Six months ended 30 September | |
|--|----------------------------------|---------------------------------|
| | 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) |
| Earnings | | |
| Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company) | 3,765 | 3,422 |
| 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 |

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 six months ended 30 September 2023 and 2024.

Notes to the Unaudited Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

8. TRADE AND OTHER RECEIVABLES

| | As at | |
|--|---|---|
| | 30 September 2024 HK\$'000 (Unaudited) | 31 March 2024 HK\$'000 (Audited) |
| Trade receivables | 73,542 | 45,171 |
| Deposits, prepayments and other receivables | 49,853 | 33,481 |
| Less: Expected credit loss | (224) | (224) |
| | 123,171 | 78,428 |
| Less: Rental deposits under non-current assets | (223) | (223) |
| | 122,948 | 78,205 |

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

| | As at | |
|----------------|---|---|
| | 30 September 2024 HK\$'000 (Unaudited) | 31 March 2024 HK\$'000 (Audited) |
| Within 30 days | 68,525 | 45,171 |
| 31–60 days | – | – |
| 61–90 days | – | – |
| Over 90 days | 5,017 | – |
| | 73,542 | 45,171 |

Notes to the Unaudited Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

9. TRADE AND OTHER PAYABLES

| | As at | |
|--|---|---|
| | 30 September 2024 HK\$'000 (Unaudited) | 31 March 2024 HK\$'000 (Audited) |
| Trade payables | 200,013 | 198,064 |
| Retention payables | 77,110 | 59,528 |
| Other payables, accruals and deposits received | 14,042 | 17,021 |
| Provision for long service payments | 735 | 735 |
| | 291,900 | 275,348 |
| Less: Provision for long service payment under non-current liabilities | (717) | (717) |
| | 291,183 | 274,631 |

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

| | As at | |
|----------------|---|---|
| | 30 September 2024 HK\$'000 (Unaudited) | 31 March 2024 HK\$'000 (Audited) |
| Within 30 days | 164,266 | 112,281 |
| 31–60 days | 22,858 | 46,397 |
| 61–90 days | 9,128 | 16,411 |
| Over 90 days | 3,761 | 22,975 |
| | 200,013 | 198,064 |

As at 30 September 2024, retention payables of HK\$10,450,000 (31 March 2024: HK\$30,205,000) were expected to be settled beyond twelve months after the end of the reporting period.

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 work 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.

OVERVIEW

The total revenue of the Group increased by approximately HK\$128.2 million or 28.8% from approximately HK\$445.0 million for the six months ended 30 September 2023 to approximately HK\$573.2 million for the six months ended 30 September 2024. In general, the increase in revenue was mainly due to a significant increase in superstructure building works services. Basic earnings per share for the six months ended 30 September 2024 was approximately HK0.37 cents as compared with approximately HK0.34 cents per share for the six months ended 30 September 2023.

FORWARD

Looking forward, the Group is confident with Hong Kong economic outlook and the prospects of Hong Kong's construction sector. In accordance with a falling interest rate environment and the government scrap of all property cooling measures, it is forecasted that the property market would be rather stable, hence fostering local construction industry development.

The Group will continue to focus on its core business in providing (i) substructure building works services, (ii) superstructure building works services, and (iii) RMAA works services. Being a main contractor in the private sector of Hong Kong, the Group will continue to explore business opportunities in the public sector as well. The Group's management aims at developing stronger presence within the industry in order to pursue favorable return for the shareholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 September 2024 recorded at approximately HK\$573.2 million which represented an increase of approximately HK\$128.2 million or 28.8% from approximately HK\$445.0 million for the six months ended 30 September 2023. The increase in total revenue was mainly due to an increase in superstructure building works services of approximately HK\$138.0 million offset by the decrease in RMAA works services of approximately HK\$8.7 million and substructure building works services of approximately HK\$1.1 million.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately HK\$4.4 million or 12.6% from approximately HK\$35.0 million for the six months ended 30 September 2023 to approximately HK\$39.4 million for the six months ended 30 September 2024. Our overall gross profit margin for the six months ended 30 September 2024 decreased to 6.9% as compared to 7.9% for the six months ended 30 September 2023. The increase in gross profit was mainly due to an increase in the number of projects compared to the six months ended 30 September 2023. However, as the project progresses, the gross profit margin was diluted due to the nominated subcontracted costs and expenses were incurred.

Other Income and Gains or Losses, net

Other income and gains or losses, net decreased by approximately HK\$0.7 million or 36.7% from approximately HK\$1.9 million for the six months ended 30 September 2023 to approximately HK\$1.2 million for the six months ended 30 September 2024. The decrease was mainly due to the decrease in subsidies from an industry association in relation to provision of construction works of approximately HK\$0.6 million.

Administrative and Other Operating Expenses

Administrative and other operating expenses mainly consist of employee benefit expense (including salaries, allowances, other benefits and contribution to defined contribution retirement plan), legal & professional fee, business development costs, donations, depreciation, and others. The administrative and other operating expenses increased by approximately HK\$2.0 million or 7.3% from approximately HK\$27.5 million for the six months ended 30 September 2023 to approximately HK\$29.5 million for the six months ended 30 September 2024. The increase was mainly due to the increase in salaries (including directors remuneration) of approximately HK\$1.6 million.

Management Discussion and Analysis

Finance Costs

Finance costs mainly represent the interest on bank borrowings. Finance costs increased by approximately HK\$0.9 million or 16.9% from approximately HK\$5.3 million for the six months ended 30 September 2023 to approximately HK\$6.2 million for the six months ended 30 September 2024, mainly due to the increase in bank borrowings.

Income Tax Expenses

Income tax expenses of the Group increased by approximately HK\$0.1 million from approximately HK\$0.9 million for the six months ended 30 September 2023 to approximately HK\$1.0 million for the six months ended 30 September 2024.

PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Net profit of the Group increased by approximately HK\$0.4 million or 10.0% from approximately HK\$3.4 million for the six months ended 30 September 2023 to approximately HK\$3.8 million for the six months ended 30 September 2024.

The increase was mainly due to the revenue growth as more new projects were engaged compared to the six months ended 30 September 2023, net off by the increase in administrative and other operating expenses and finance costs for the six months ended 30 September 2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2024, the Group had total assets of approximately HK\$630.3 million, which is financed by total liabilities and shareholders' equity of approximately HK\$499.5 million and HK\$130.8 million, respectively. The Group's current ratio at 30 September 2024 relatively stable at approximately 1.1 as compared to 31 March 2024.

GEARING RATIO

The gearing ratio of the Group as at 30 September 2024 was approximately 143.9% (31 March 2024: approximately 130.8%), which is calculated based on the Group's total interest-bearing debt (bank borrowings and lease liabilities) of approximately HK\$188.2 million (31 March 2024: approximately HK\$166.2 million) and the Group's total equity of approximately HK\$130.8 million (31 March 2024: approximately HK\$127.0 million).

Management Discussion and Analysis

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months. 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.

CHARGES ON GROUP ASSETS

Assets with a carrying value of approximately HK\$93.4 million (31 March 2024: approximately HK\$81.6 million) were pledged as securities for the Group's banking facilities.

FOREIGN EXCHANGE EXPOSURE

The Group was not exposed to foreign exchange risk during the six months ended 30 September 2024.

CAPITAL STRUCTURE

As at 30 September 2024, the Company's issued share capital was HK\$10,130,000 and the number of its issued ordinary shares was 1,013,000,000 of HK\$0.01 each.

COMMITMENTS

At the end of the reporting period, there were no significant capital commitments for the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2024, the Group did not have other plans for material investments or capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During six months ended 30 September 2024, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company.

CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any material contingent liabilities (31 March 2024: nil).

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 186 employees (31 March 2024: 172 employees). The staff costs of our Group (including salaries, allowances, other benefits and contribution retirement plan) for the six months ended 30 September 2024 were approximately HK\$51.7 million (For the six months ended 30 September 2023: approximately HK\$44.5 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

The Group did not hold any significant investments during the six months ended 30 September 2024.

EVENTS AFTER REPORTING PERIOD

There were no materials events after the reporting period.

Other Information

DISCLOSURE OF INTEREST

A. Directors' and chief executives' interest and short position in shares, underlying shares and debentures

As at 30 September 2024, 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 corporation (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 otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules, are set out below:

Long Positions in shares of the Company or any of its associated corporation

| Name of our directors/ chief executive | Number of ordinary shares held | Interests in Share Option (Note 2) | Total | Approximate percentage of shareholding interests in our Company (%) (Note 3) |
|--|--------------------------------------|--|-------------|--|
| Executive directors | | | | |
| Ng Choi Wah ("Mr. Ng") | 726,800,000 (Note 1) | 10,000,000 | 736,800,000 | 72.73% |
| Lui Yiu Wing | 900,000 | 3,000,000 | 3,900,000 | 0.38% |
| Lam Ka Fai | – | 3,000,000 | 3,000,000 | 0.30% |
| Independent non-executive directors | | | | |
| Wai Wing Hong Onyx | – | 1,000,000 | 1,000,000 | 0.10% |
| Tong Hin Sum Paul | – | 1,000,000 | 1,000,000 | 0.10% |
| Chau Kam Wing Donald | – | 1,000,000 | 1,000,000 | 0.10% |

Other Information

Note 1 645,000,000 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. Under the SFO, Mr. Ng is deemed to be interested in all shares held by JT Glory Limited. Another 80,480,000 shares are owned by Mr. Ng through the Bank directly.

Note 2 These represent the interests of share options granted to the directors under the share option scheme adopted by the Company on 21 November 2017 to subscribe for shares.

Note 3 These percentages were compiled based on the total number of issued shares (i.e. 1,013,000,000) as at 30 September 2024.

Short positions in shares of the Company or any of its associated corporation

As at 30 September 2024, 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).

B. Substantial Shareholders' and Other Persons' interests and short positions in the shares and underlying shares of the Company

So far as the directors are aware, as at 30 September 2024, 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 Position in shares of the Company

| Name | Capacity/ Nature of interest | Number of Ordinary shares held | Interests in share option (Note 3) | Approximate percentage of shareholding interests in our Company (Note 4) |
|---|--------------------------------------|--------------------------------------|--|---|
| Mr. Ng | Interest in a controlled corporation | 645,000,000 | – | 63.67% |
| | Beneficial owner | 81,800,000 | 10,000,000 | 9.06% |
| JT Glory Limited | Beneficial owner | 645,000,000 (Note 1) | – | 63.67% |
| Ms. Cheung Yuk Sheung ("Ms. Cheung") | Interest of spouse | 645,000,000 (Note 2) | – | 63.67% |
| | Beneficial owner | – | 2,500,000 | 0.25% |

Other Information

Note 1 JT Glory Limited is wholly-owned by Mr. Ng. Under the SFO, Mr. Ng is deemed to be interested in all the shares held by JT Glory Limited.

Note 2 Ms. Cheung is the spouse of Mr. Ng. Under the SFO, Ms. Cheung is deemed to be interested in all the shares held by Mr. Ng.

Note 3 These represent the interests of share options granted to the directors under the share option scheme adopted by the Company on 21 November 2017 to subscribe for shares.

Note 4 These percentages were compiled based on the total number of issued shares (i.e. 1,013,000,000) as at 30 September 2024.

Short positions in shares of the Company

As at 30 September 2024, 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 director are not aware of any business or interest of the directors nor the controlling shareholders of the Company nor any of their respective associate (as defined in the 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 six months ended 30 September 2024.

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 six months ended 30 September 2024.

Other Information

CORPORATE GOVERNANCE PRACTICE

Pursuant to the code provision C.2.1 of Corporate Governance Code and Corporate Governance Report (the “**Code**”), the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established.

Mr. Ng currently assumes the role of both chairman and chief executive officer 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 officer when necessary.

In the opinion of the Board, the Company has complied with the principles and code provisions in the 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 six months ended 30 September 2024.

RESULTS AND DIVIDEND

The Group’s results for the six months ended 30 September 2024 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 7 to 11.

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024.

Other Information

SHARE OPTION SCHEME

The Company adopted a share option scheme on 10 March 2016. On 21 November 2017, the Group announced the granting of a total of 32,500,000 share options to selected employees and directors under the share option scheme. The exercise price of the granted options is HK\$0.40 per share. No share options were exercised or forfeited during the six months 30 September 2024.

(A) Purpose of the share option scheme

The purpose of the share option scheme enables our Company to grant options to the eligible persons as incentives or rewards for their contributions to our Group.

(B) Participants

The Board may, at its discretion, invite any eligible persons to take up options.

(C) Total number of shares available for issue under the share option scheme

The maximum number of shares in respect of which options may be granted under the share option scheme shall not in aggregate exceed 10% of all the shares in issue as at the date of listing (i.e. a total of 100,000,000 shares representing 10% of the issued share capital of the Company as at the date of this report).

(D) Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of options granted to each participant (including both exercised and outstanding options) under the share option scheme or any other share option schemes of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting.

Other Information

(E) Term of subscription of shares upon exercise of the options

An option may be exercised in accordance with the terms of the share option scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant.

(F) Minimum period for which an option must be held before it can be exercised

The Board may in its absolute discretion set a minimum period for which an option must be held before an option can be exercised.

(G) Time of acceptance and the amount payable on acceptance of the option

An offer for the grant of options must be accepted within twenty eight days from the date on which the option is granted. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.

(H) Basis for determination the exercise price

The exercise price for any share under the Share Option Scheme shall be a price determined by the Board and notified to each grantee (in the letter containing the offer of the grant of the option) and shall not be less than the highest of:

- (i) the closing price per Share as stated in the Stock Exchange's daily quotations sheet on the date of grant;
- (ii) the average closing price per Share as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share at the date of grant.

Other Information

(I) The remaining life of the scheme

Approximately 3 years (expiring on 20 November 2027).

On 21 November 2017, the Group announced the granting of a total of 32,500,000 share options to selected employee and directors under the Share Option Scheme. The exercise price of the granted options is HK\$0.40 per share. No share options were exercised or forfeited during the six months ended 30 September 2024.

Details of the share options under the share option scheme during the six months ended 30 September 2024 were as follows:

| Name | Date of Grant | Exercisable period | Exercise price of share option | Outstanding as at 1 April 2024 | Granted during the period | Exercised during the period | Cancelled during the period | Lapsed during the period | Number of shares subject to outstanding options at 30 September 2024 | Approximate percentage of the issued shares of the Company |
|---------------------------------------|------------------|--------------------------------------|--------------------------------|--------------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------|--|--|
| Ng Choi Wah | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 10,000,000 | – | – | – | – | 10,000,000 | 0.99% |
| Lui Yiu Wing | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 3,000,000 | – | – | – | – | 3,000,000 | 0.30% |
| Lam Ka Fai | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 3,000,000 | – | – | – | – | 3,000,000 | 0.30% |
| Wai Wing-Hong Onyx | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 1,000,000 | – | – | – | – | 1,000,000 | 0.10% |
| Tong Hin Sum Paul | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 1,000,000 | – | – | – | – | 1,000,000 | 0.10% |
| Chau Kam Wing Donald | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 1,000,000 | – | – | – | – | 1,000,000 | 0.10% |
| Cheung Yuk Sheung | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 2,500,000 | – | – | – | – | 2,500,000 | 0.25% |
| Other senior management and employees | 21 November 2017 | 21 November 2018 to 20 November 2027 | HK\$0.40 per share | 5,000,000 | – | – | – | – | 5,000,000 | 0.49% |

Other Information

AUDIT COMMITTEE

Our audit committee currently consists of all three of our independent non-executive directors, namely Dr. Wai Wing Hong Onyx, Mr. Tong Hin Sum Paul and Mr. Chau Kam Wing Donald. Mr. Chau Kam Wing Donald who has the appropriate accounting and financial related management expertise, is the chairman of the audit committee.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control procedures and financial reporting matters including the review of the Group's unaudited interim financial statements for the six months ended 30 September 2024.

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

Hong Kong, 25 November 2024

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