

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 21 March 2016 (the “**Prospectus**”) of Ching Lee Holdings Limited (the “**Company**”).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Securities Clearing Company Limited (“**HKSCC**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any shares or other securities of the Company. Prospective investors should read the Prospectus carefully for detailed information about the Company and the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



**Ching Lee Holdings Limited**  
**正利控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**LISTING ON THE GROWTH ENTERPRISE MARKET  
OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
BY WAY OF PLACING**

**Number of Placing Shares** : 300,000,000 Shares, comprising 200,000,000 New Shares and 100,000,000 Sale Shares (subject to the Offer Size Adjustment Option)  
**Placing Price** : HK\$0.283 per Placing Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars)  
**Nominal value** : HK\$0.01 per Share  
**Stock code** : 8318

**Sponsor**

**SUNWAH KINGSWAY**  
**新華滙富**  
Kingsway Capital Limited

**Joint Bookrunners and Joint Lead Managers**

**SUNWAH KINGSWAY**  
**新華滙富**  
Kingsway Financial Services Group Limited

**SBI** China Capital 軟庫中華金融服務有限公司  
SBI China Capital Financial Services Limited

- The Placing Price is HK\$0.283 per Placing Share (excluding brokerage fee of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027%).
- The 300,000,000 Placing Shares offered (comprising 200,000,000 New Shares offered by the Company and 100,000,000 Sale Shares offered by the Selling Shareholder) under the Placing have been fully subscribed.
- Pursuant to the Placing, 300,000,000 Placing Shares have been conditionally allocated to a total of 116 selected professional, institutional and other investors.
- The net proceeds to be received by the Company from the Placing, after deducting the underwriting fees, the Stock Exchange trading fee and SFC transaction levy for the New Shares and estimated listing expenses in connection with the Placing, are estimated to be approximately HK\$42.5 million.
- The Offer Size Adjustment Option has not been exercised by the Joint Bookrunners (for themselves and on behalf of the Underwriters).
- The Directors confirmed that to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirmed that there will not be any new substantial Shareholder of the Company within the meaning of the GEM Listing Rules immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirmed that there will not be any new substantial Shareholders within the meaning of the GEM Listing Rules immediately after completion of the Placing and the Capitalisation Issue.
- Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of Listing shall be owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be 30% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be owned by the three largest public Shareholders and the Shares in public hands will be held among at least 100 persons.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Tuesday, 29 March 2016. Shares will be traded in board lots of 20,000 Shares each. The stock code for the Shares is 8318.

**Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING PRICE AND USE OF PROCEEDS**

The Placing Price is HK\$0.283 per Placing Share (excluding brokerage fee of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027%). The net proceeds to be received by the Company from the Placing, after deducting the underwriting fees, the Stock Exchange trading fee and SFC transaction levy for the New Shares and estimated listing expenses in connection with the Placing, are estimated to be approximately HK\$42.5 million.

The Directors intend to apply the net proceeds of the Placing in accordance with the purposes set forth in the section “Future Plans and Use of Proceeds” in the Prospectus in the following manner:

<b>Use of net proceeds</b>	<b>Percentage of net proceeds %</b>	<b>Amount of net proceeds HK\$ million</b>
To reserve more capital to satisfy its potential customers’ requirement for surety bond	41.6	17.7
To expand its workforce, and arrange and sponsor its engineering staff to attend external technical seminars and occupational health and safety courses	24.7	10.5
To acquire machinery	7.7	3.3
To reduce its gearing ratio by repaying certain bank borrowing in a one-off manner	16.0	6.8
For working capital and other general corporate purposes	10.0	4.2
Total:	100.0	42.5

The net proceeds to be received by the Selling Shareholder from the Placing is expected to be approximately HK\$21.2 million, after deducting the underwriting fees, the Stock Exchange trading fee and SFC transaction levy for the Sale Shares.

## **LEVELS OF INDICATIONS OF INTERESTS UNDER THE PLACING**

The 300,000,000 Placing Shares offered (comprising 200,000,000 New Shares offered by the Company and 100,000,000 Sale Shares offered by the Selling Shareholder) under the Placing were fully subscribed. The Offer Size Adjustment Option has not been exercised by the Joint Bookrunners (for themselves and on behalf of the Underwriters).

## RESULTS OF ALLOCATION

Pursuant to the Placing, 300,000,000 Placing Shares have been conditionally allocated to a total of 116 selected professional, institutional and other investors. The distribution of the Placing Shares is set out as below:

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue
Top placee	49,500,000	16.5%	4.95%
Top 5 placees	247,500,000	82.50%	24.75%
Top 10 placees	296,480,000	98.83%	29.65%

Number of Placing Shares allocated	Number of placees
20,000 to 1,000,000	108
1,000,001 to 10,000,000	—
10,000,001 to 20,000,000	3
20,000,001 or above	5
Total	<u>116</u>

The Directors confirmed that to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder or substantial Shareholder of the Company or any of its subsidiaries or a close associate of any of them, and none of the placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder or substantial Shareholder of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name otherwise held by him/her/it. No placee will, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing

and the Capitalisation Issue. The Directors also confirmed that there will not be any new substantial shareholder of the Company within the meaning of the GEM Listing Rules immediately after completion of the Placing and the Capitalisation Issue.

**Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

#### **MINIMUM PUBLIC FLOAT REQUIREMENT**

Pursuant to Rule 11.23(2)(b) of the GEM Listing Rules, the Shares in public hands should, as at the time of Listing, be held among at least 100 persons. Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time when the Shares commence dealings on GEM and of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirmed that, immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be 30% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders and the Shares in public hands will be held among at least 100 persons.

#### **DEPOSIT OF SHARE CERTIFICATES INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Tuesday, 29 March 2016) or on any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

**No receipt will be issued for subscription monies for the Placing Shares. The Company will not issue temporary documents of title.**

The share certificates for the Placing Shares allotted and issued to the placees are expected to be either despatched to the placees or deposited into CCASS on Thursday, 24 March 2016 for credit to the respective CCASS Participants or CCASS Participants stock accounts designated by the Joint Bookrunners, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sole Sponsor or Joint Lead Managers (for themselves and on behalf of the Underwriters) are entitled to terminate their obligations under the Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events stated in the paragraph headed "Grounds for

termination” in the “Underwriting” section of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, pandemic, act of terrorism, earthquake, strike or lock-out. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, the Placing will lapse, all monies received will be refunded to applicants of the Placing without interest, and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.chingleeholdings.com](http://www.chingleeholdings.com) on the next business day following such lapse.

All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the rights of termination as described in the in the paragraph headed “Grounds for termination” in the “Underwriting” section of the Prospectus has not been exercised thereto and has lapsed.

## **COMMENCEMENT OF DEALINGS**

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Tuesday, 29 March 2016. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.chingleeholdings.com](http://www.chingleeholdings.com). Shares will be traded in board lot of 20,000 Shares each. The stock code for the Shares is 8318.

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

Hong Kong, Thursday, 24 March 2016

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement and a copy of the Prospectus will remain on the GEM Website at [www.hkgem.com](http://www.hkgem.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and in the case of this announcement, on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published and remains on the Company’s website at [www.chingleeholdings.com](http://www.chingleeholdings.com).*