

CBK Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8428

THIRD QUARTERLY
REPORT

2017



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of CBK Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

BOARD OF DIRECTORS

Executive directors

Ms. Wong Wai Fong (*Chairman*)
Mr. Chan Lap Ping

Independent non-executive directors

Mr. Chan Hoi Kuen Matthew
Mr. Chung Wing Yin
Mr. Law Yui Lun

COMPLIANCE OFFICER

Ms. Wong Wai Fong

AUTHORISED REPRESENTATIVES

Ms. Wong Wai Fong
Mr. Chan Yu Chi

COMPANY SECRETARY

Mr. Chan Yu Chi

AUDIT COMMITTEE

Mr. Law Yui Lun (*Chairman*)
Mr. Chan Hoi Kuen Matthew
Mr. Chung Wing Yin

REMUNERATION COMMITTEE

Mr. Chung Wing Yin (*Chairman*)
Mr. Chan Hoi Kuen Matthew
Mr. Law Yui Lun
Ms. Wong Wai Fong

NOMINATION COMMITTEE

Mr. Chan Hoi Kuen Matthew (*Chairman*)
Mr. Chung Wing Yin
Mr. Law Yui Lun
Ms. Wong Wai Fong

LEGAL COMPLIANCE COMMITTEE

Ms. Wong Wai Fong (*Chairman*)
Mr. Chan Hoi Kuen Matthew
Mr. Chan Yu Chi
Mr. Chung Wing Yin
Mr. Law Yui Lun

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

COMPLIANCE ADVISER

Guotai Junan Capital Limited

LEGAL ADVISER

D. S. Cheung & Co.

PRINCIPAL BANKS

Fubon Bank (Hong Kong) Limited
DBS Bank (Hong Kong) Limited

Corporate Information

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

**HEADQUARTERS AND PRINCIPAL PLACE
OF BUSINESS IN HONG KONG**

Room 1501, 15/F
Vanta Industrial Centre
21–33 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

**HONG KONG BRANCH SHARE REGISTRAR AND
TRANSFER OFFICE**

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
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COMPANY WEBSITE

www.cbk.com.hk

STOCK CODE

8428

Financial Highlights (Unaudited)

The board of directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated third quarterly results of the Group for the nine months ended 31 December 2017, together with the unaudited comparative figures for the corresponding period of 2016. Unless otherwise specified, terms used herein shall have the same meanings as those defined in the prospectus of the Company dated 27 January 2017 (the "Prospectus").

The Group recorded revenue of approximately HK\$89.7 million (nine months ended 31 December 2016: approximately HK\$106.4 million) for the nine months ended 31 December 2017.

The Group recorded gross profit of approximately HK\$51.3 million (nine months ended 31 December 2016: approximately HK\$68.2 million) for the nine months ended 31 December 2017.

Loss attributable to owners of our Company for the nine months ended 31 December 2017 was approximately HK\$7.9 million (nine months ended 31 December 2016: profit of approximately HK\$1.8 million).

Basic and diluted loss per share was approximately 0.66 HK cents (nine months ended 31 December 2016: earnings of approximately 0.20 HK cents) for the nine months ended 31 December 2017.

The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2017.

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 31 December 2017

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3	36,034	38,870	89,745	106,434
Cost of inventories sold		(14,770)	(13,621)	(38,419)	(38,201)
Gross profit		21,264	25,249	51,326	68,233
Other revenue and other income	4	326	949	1,310	1,493
Staff costs		(9,584)	(9,199)	(27,013)	(28,956)
Depreciation of property, plant and equipment		(1,030)	(729)	(2,500)	(2,238)
Property rentals and related expenses		(6,910)	(5,479)	(18,621)	(16,473)
Fuel and utility expenses		(1,191)	(1,004)	(3,393)	(3,629)
Administrative expenses		(3,415)	(5,897)	(9,477)	(14,629)
(Loss)/profit before tax	5	(540)	3,890	(8,368)	3,801
Income tax credit/(expenses)	6	12	(1,133)	508	(1,798)
(Loss)/profit and total comprehensive (loss)/income for the period		(528)	2,757	(7,860)	2,003
(Loss)/profit and total comprehensive (loss)/income for the period attributable to:					
Owners of the Company		(528)	2,651	(7,860)	1,804
Non-controlling interests		–	106	–	199
		(528)	2,757	(7,860)	2,003
(Loss)/earnings per share					
Basic and diluted (HK cents)	8	(0.04)	0.29	(0.66)	0.20

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2017

	Attributable to owners of the Company				Sub-total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000 (note a)	Retained earnings HK\$'000			
At 1 April 2016 (audited)	706	–	–	42,066	42,772	(40)	42,732
Profit and total comprehensive income for the period	–	–	–	1,910	1,910	199	2,109
Dividend paid (note 7)	–	–	–	(12,000)	(12,000)	–	(12,000)
Capital injection into a newly incorporated subsidiary	10	–	–	–	10	–	10
Effect of reorganisation	(587)	–	591	155	159	(159)	–
At 31 December 2016 (unaudited)	129	–	591	32,131	32,851	–	32,851
At 1 April 2017 (audited)	12,000	56,198	591	21,965	90,754	–	90,754
Loss and total comprehensive loss for the period	–	–	–	(7,860)	(7,860)	–	(7,860)
At 31 December 2017 (unaudited)	12,000	56,198	591	14,105	82,894	–	82,894

Note:

- (a) The merger reserve represented the difference between the nominal value of the share capital of the subsidiaries acquired as a result of the reorganisation (the "Reorganisation") as fully explained in the paragraph headed "Reorganisation" in the section headed "History and Development" of the Prospectus and the nominal value of the share capital of the Company issued in exchange thereof.

Notes to the Unaudited Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 September 2016 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Room 1501, 15/F., Vanta Industrial Centre, 21–33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. Its ultimate holding company is Sure Wonder Investments Limited, a company incorporated in the British Virgin Islands.

The Company's shares were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 February 2017 (the "Listing Date").

The principal activity of the Company is investment holding. The principal activity of the Group is the provision of catering services in Hong Kong.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statement are consistent with those adopted in the annual financial statements of the Group for the year ended 31 March 2017 (the "2017 Annual Report").

In the current period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA that are relevant for the preparation of the unaudited condensed consolidated financial statements of the Group:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014–2016 Cycle

The adoption of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required. The unaudited condensed consolidated financial statement do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2017 Annual Report.

The Group has not adopted new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Directors do not anticipate that the application of new and revised HKFRSs issued but not yet effective will have material impact on the Group's financial performance and unaudited condensed consolidated financial position for the future and/or the disclosure set out in the unaudited condensed consolidated financial statement.

The unaudited condensed consolidated financial statement have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values. The unaudited condensed consolidated financial statement are presented in Hong Kong dollar ("HK\$") which is the same as the functional currency of the Company, and all values are rounded to the nearest thousands (HK\$'000), unless otherwise stated.

The unaudited condensed consolidated financial statement have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

Notes to the Unaudited Condensed Consolidated Financial Statements

3. REVENUE

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Restaurants operations	36,034	38,870	89,745	106,434

4. OTHER REVENUE AND OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Promotion income	243	488	1,000	788
Tips income	70	87	211	266
Bank interest income	–	–	1	1
Others	13	374	98	438
	326	949	1,310	1,493

Notes to the Unaudited Condensed Consolidated Financial Statements

5. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging:

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Cost of inventories sold	14,770	13,621	38,419	38,201
Depreciation of property, plant and equipment	1,030	729	2,500	2,238
Listing expenses	–	3,579	–	6,856
Minimum lease payments under operating lease in respect of restaurants and office premises	6,269	4,977	16,907	15,126
Employee benefit expenses (including directors' and chief executive's remuneration):				
— Salaries and allowances	8,971	8,804	25,610	27,597
— Staff benefits	109	36	185	163
— Retirement benefit scheme contributions	504	359	1,218	1,196
	9,584	9,199	27,013	28,956

6. INCOME TAX (CREDIT)/EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax				
Charge for the period	169	1,133	187	1,798
Deferred tax credit	(181)	–	(695)	–
	(12)	1,133	(508)	1,798

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any taxation under the jurisdictions of Cayman Islands.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Notes to the Unaudited Condensed Consolidated Financial Statements

7. DIVIDEND

Pursuant to the written resolution of the shareholders of the Company, the Company declared dividends of HK\$12,000,000 to the then shareholders of the Company and the amount was settled in October 2016 with internal resources.

Saved as disclosed above, the Board does not recommend the payment of dividend for the nine months ended 31 December 2017 (nine months ended 31 December 2016: Nil).

8. (LOSS)/EARNINGS PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
(Loss)/profit for the purpose of calculating basic (loss)/earnings per share	(528)	2,651	(7,860)	1,804

	As at 31 December	
	2017 '000 (Unaudited)	2016 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	1,200,000	900,000

For the nine months ended 31 December 2016, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share is calculated based on the assumption that 900,000,000 ordinary shares had been in issue, comprising 12,907,340 ordinary shares in issue and 887,092,660 ordinary shares to be issued pursuant to the capitalisation issue as detailed in the sub-section headed "Share Capital" set out in the Prospectus as if the shares had been outstanding throughout the period.

Diluted (loss)/earnings per share were same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares in issue.

Management Discussion and Analysis

INDUSTRY OVERVIEW

During the nine months ended 31 December 2017, the global economic recovery was slow with growth remained weak in many countries including Hong Kong Special Administrative Region of the People's Republic of China. Despite the above, the business environment of food and beverage industry remained challenging with keen competitions. We have seen one of the toughest years in our operating history with intense price competition from other participants in the hotpot cuisine sector.

BUSINESS OVERVIEW

For the nine months ended 31 December 2017, the Group operated ten restaurants in Hong Kong under the brands of "Calf Bone King (小肥牛火鍋活魚專門店)", "Beefy HotPot (小肥牛火鍋大排檔)", "Calf Bone King Steam Pot (小肥牛蒸氣石鍋火鍋專門店)", "CBK Prince Club (小肥牛太子會)" and "3H Island Fusion Pot (蒲頭島)".

FINANCIAL REVIEW

Revenue

Our revenue for the nine months ended 31 December 2017 decreased by approximately HK\$16.7 million to HK\$89.7 million (nine months ended 31 December 2016: approximately HK\$106.4 million). The drop in revenue was mainly due to (i) closures of CCSW and CYL in July 2016 and October 2016, respectively, as mentioned in the Prospectus; (ii) the decrease in revenue from our existing restaurants as a result of intense price competition from other hotpot restaurants; and (iii) the promotional campaign which provided a variety of discounts to customers.

Cost of inventories sold

The cost of inventories sold mainly represents the costs of food ingredients and beverage for the operation of the Group's restaurants. The cost of inventories sold for the nine months ended 31 December 2017 increased by approximately HK\$0.2 million to HK\$38.4 million (nine months ended 31 December 2016: approximately HK\$38.2 million). The cost of inventories sold as a percentage of revenue increased by approximately 6.9% to 42.8% for the nine months ended 31 December 2017 (nine months ended 31 December 2016: approximately 35.9%). Such increase was mainly due to the increase in costs of major food ingredients.

Gross profit and gross profit margin

The gross profit for the nine months ended 31 December 2017 decreased by approximately HK\$16.9 million to HK\$51.3 million (nine months ended 31 December 2016: approximately HK\$68.2 million) and the gross profit margin for the nine months ended 31 December 2017 decreased by approximately 6.9% to 57.2% (nine months ended 31 December 2016: approximately 64.1%). The decrease in gross profit margin was primarily attributable to the decrease in revenue and the increase in cost of inventories sold as discussed above.

Other revenue and other income

Our other revenue and other income decreased by approximately HK\$0.2 million to approximately HK\$1.3 million (nine months ended 31 December 2016: approximately HK\$1.5 million) for the nine months ended 31 December 2017, which was primarily due to the decrease in compensation income from insurance in relation to the injuries of the staff.

Management Discussion and Analysis

Staff costs

Our staff costs decreased by approximately HK\$2.0 million to HK\$27.0 million (nine months ended 31 December 2016: approximately HK\$29.0 million) for the nine months ended 31 December 2017. The decrease was mainly due to the closure of CYL and CCSW during the nine months ended 31 December 2016.

Depreciation of property, plant and equipment

Our depreciation of property, plant and equipment increased by approximately HK\$0.3 million to HK\$2.5 million (nine months ended 31 December 2016: approximately HK\$2.2 million) for the nine months ended 31 December 2017. The increase was mainly due to the additional depreciation charges incurred for the new restaurant in Yau Tsim Mong district, which was opened in September 2017.

Property rentals and related expenses

Our property rentals and related expenses increased by approximately HK\$2.1 million to HK\$18.6 million (nine months ended 31 December 2016: approximately HK\$16.5 million) for the nine months ended 31 December 2017. The increase was primarily due to (i) the increase in rental expense incurred for some of the existing restaurants upon the renewal of tenancy agreements; and (ii) the opening of the new restaurant in Yau Tsim Mong district in September 2017.

Fuel and utility expenses

Our fuel and utility expenses decreased by approximately HK\$0.2 million to HK\$3.4 million (nine months ended 31 December 2016: approximately HK\$3.6 million) for the nine months ended 31 December 2017. The decrease was in line with the decrease in revenue for the same period.

Administrative expenses

Our administrative expenses decreased by approximately HK\$5.1 million to HK\$9.5 million (nine months ended 31 December 2016: approximately HK\$14.6 million) for the nine months ended 31 December 2017, which was mainly due to the absence of listing expenses during the period.

(Loss)/profit and total comprehensive (loss)/income for the period attributable to owners of our Company

As a result of the cumulative effect of the above factors, the Group had loss and total comprehensive loss for the period attributable to owners of our Company of approximately HK\$7.9 million (nine months ended 31 December 2016: profit of approximately HK\$1.8 million) for the nine months ended 31 December 2017. The loss and total comprehensive loss attributable to owners of our Company for the nine months ended 31 December 2017 was primarily attributable to the decrease in revenue as discussed above.

Management Discussion and Analysis

USE OF PROCEEDS FROM PLACING

The Company was listed on the GEM of the Stock Exchange on 15 February 2017 and the net proceeds raised by the Company from the abovementioned Placing were approximately HK\$53.5 million. As at 31 December 2017, the net proceeds has been applied and utilized as follows:

	Actual net proceeds HK\$'000	Amount utilized as at 31 December 2017 HK\$'000	Unused net proceeds HK\$'000
Opening new hotpot restaurants	27,000	8,933	18,067
Setting up a central kitchen	6,000	785	5,215
Enhancement of existing hotpot restaurants	12,000	–	12,000
Strengthening information technology system	2,000	561	1,439
Setting up a new head office	3,000	–	3,000
General working capital	3,500	3,500	–
	53,500	13,779	39,721

Opening new hotpot restaurants

The Company had originally planned to use approximately HK\$9.0 million of the net proceeds to open two new restaurants for the six months ended 30 September 2017. However, only one restaurant was opened in Yau Tsim Mong district during the nine months ended 31 December 2017. The cost of the new restaurant was approximately HK\$8.9 million. The Company encountered a difficult and challenging market environment since the beginning of this financial year. Facing such change in the market condition, the management introduced a new style hotpot restaurant under a new brand name with the aim to reach a wider customer base.

The Company has not yet identified suitable premises for the second restaurant. The Company expects the opening of the second restaurant will be delayed till the first half of 2018.

Setting up a central kitchen

The Company had planned to use approximately HK\$6.0 million of the net proceeds to establish a new central kitchen. In July 2017, the Company was able to secure a lease of premises in Kwai Chung which have food processing facilities. As at 31 December 2017, a total of approximately HK\$0.8 million was spent on establishing the central kitchen. The reasons for lower amount utilized as at 31 December 2017 were (i) the aforementioned premises have some basic food processing and production equipment and utensils; and (ii) the Company is still in the process of undertaking production trial to ensure that the central kitchen is capable of achieving standardisation and consistent food quality. The Company will spend additional amount to acquire new equipment and utensils once the central kitchen is ready to ramp up production in 2018.

Management Discussion and Analysis

Enhancement of existing hotpot restaurants

The Company had planned to use approximately HK\$3.0 million of the net proceeds to enhance its existing hotpot restaurant, namely CTP during the six months ended 30 September 2017. As at 31 December 2017, no proceeds are spent on enhancement work on CTP. The reasons for the delay with the enhancement work of CTP were (i) more than expected manpower was drawn on establishing the new restaurant in Yau Tsim Mong district; and (ii) the management needed more time to discuss with designers to finalise enhancement and upgrade plans for other existing restaurants to meet customers' expectation. Given that the first quarter of the year is usually the peak season of the Company's business, the Company currently expects the renovation and refurbishment of CTP will be scheduled in the second quarter of 2018.

Strengthening information technology system

The Company had planned to use approximately HK\$2.0 million of the net proceeds to upgrade the information technology system. As at 31 December 2017, a total of approximately HK\$0.6 million was spent on new computers and related hardware peripherals. The Company has planned to upgrade its management system to a resource planning management system but has not yet identified a suitable system. The Company expects its computer consultant to complete his evaluation of various systems and submit his report to the management by January 2018.

Except as explained above, the Company intends to continue to apply the net proceeds received from the Placing in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus. However, the Directors will continue to evaluate the Group's business objective and will change or modify plans against the changing market condition to create greater value for the shareholders.

All the unutilised balances have been placed in a licensed bank in Hong Kong.

FOREIGN CURRENCY EXPOSURE

Most of the transactions of the Group are denominated in Hong Kong dollars and the Group is not exposed to significant foreign exchange exposure.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group did not have any material capital commitments.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2017, the Group did not have any mortgage or charge over its assets.

EVENTS AFTER REPORTING DATE

There are no material subsequent events undertaken by the Group after the reporting period.

Other Information

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2017, the interests and short positions of the Directors and the chief executive 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 the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"), or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

(i) Long position in our Shares

Name of Director/chief executive	Capacity/ nature of interest	Number of shares held/ interested	Percentage of interest
Ms. Wong Wai Fong ("Ms. Wong")	Interest in controlled corporation	889,200,000	74.1%
Mr. Kwok Yiu Chung ("Mr. Kwok") (Note)	Interest of spouse	889,200,000	74.1%

Note: Mr. Kwok, our chief executive officer, is Ms. Wong's spouse and is deemed to be interested in 889,200,000 shares in which Ms. Wong is interested under the SFO.

Other Information

(ii) Long position in the ordinary shares of associated corporation

Name of Director/chief executive	Name of associated corporation	Capacity/ nature of interest	Number of shares held/ interested	Percentage of interest (approximate)
Ms. Wong (Note 1)	Sure Wonder Investments Limited ("Sure Wonder")	Beneficial owner	834	83.4%
		Interest of spouse	17	1.7%
Mr. Kwok (Note 1)	Sure Wonder	Beneficial owner	17	1.7%
		Interest of spouse	834	83.4%
Mr. Chan Lap Ping (Note 2)	Sure Wonder	Interest of spouse	18	1.8%

Notes:

1. Mr. Kwok, our chief executive officer, is Ms. Wong's spouse and is deemed to be interested in the shares of Sure Wonder held by Ms. Wong under the SFO. Accordingly, Ms. Wong, our executive director, is deemed to be interested in the shares of Sure Wonder held by Mr. Kwok under the SFO.
2. Mr. Chan Lap Ping, our executive director, is the spouse of Ms. Yang Dongxiang ("Ms. Yang") and is deemed to be interested in the shares of Sure Wonder held by Ms. Yang under the SFO.

Save as disclosed above, as at 31 December 2017, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

Other Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Interests and short positions of substantial shareholders in the shares, underlying shares and debentures of the Company and its associated corporations

So far as the Directors are aware of, as at 31 December 2017, the following substantial shareholder other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO (the "Substantial Shareholders' Register"), or who were directly or indirectly interested in 10% or more of the issued voting shares of the Company:

Long positions in the ordinary shares of the Company

Name	Capacity/nature of interest	Number of shares held/ interested	Percentage of interest
Sure Wonder (Note)	Beneficial owner	889,200,000	74.1%

Note: Sure Wonder is owned as to 83.4% by Ms. Wong, 1.7% by Mr. Kwok, 7.6% by Mr. Tam Wai Shing ("Mr. Tam"), 1.8% by Ms. Yang and 5.5% by Mr. Hui Chun Wah ("Mr. Hui"). In view of the concert party arrangement among Ms. Wong, Mr. Kwok, Mr. Tam, Ms. Yang and Mr. Hui, Ms. Wong, Mr. Kwok, Mr. Tam, Ms. Yang and Mr. Hui, who, through Sure Wonder, control an aggregate of 889,200,000 Shares, representing 74.1% of the issued share capital of our Company. Hence, Ms. Wong, Mr. Kwok, Mr. Tam, Ms. Yang, Mr. Hui and Sure Wonder are a group of controlling shareholders within the meaning of the GEM Listing Rules.

Save as disclosed above, as at 31 December 2017, the Directors were not aware of any substantial shareholders who had any interest or short position in the shares or underlying shares that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Substantial Shareholders' Register required to be kept under section 336 of the SFO.

INTERESTS AND SHORT POSITIONS OF OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Interests and short positions of other persons in the shares, underlying shares and debentures of the Company and its associated corporations

So far as the Directors are aware of, save as disclosed above, as at 31 December 2017, the Directors were not aware of any other persons who/entities which had any interest or short position in the shares or underlying shares that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Substantial Shareholders' Register required to be kept under section 336 of the SFO.

COMPETING BUSINESS

None of the Directors, the controlling shareholders or the substantial shareholders of the Company or any of their respective close associates (as defined in the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules")) had an interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group or any other conflicts of interest which any such person has or may have with the Group during the nine months ended 31 December 2017.

Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The issued shares of the Company were listed on the GEM of the Stock Exchange on 15 February 2017 (the "Listing Date"). Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company after the Listing Date and up to 31 December 2017.

CORPORATE GOVERNANCE CODE

For the nine months ended 31 December 2017, the Directors consider that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that the Directors have complied with such required standard of dealings and the Company's code of conduct regarding Directors' securities transactions for the nine months ended 31 December 2017.

INTERESTS OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Guotai Junan Capital Limited ("Guotai Junan") to be the compliance adviser. As informed by Guotai Junan, neither Guotai Junan nor any of its directors or employees or close associates has or may have any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Guotai Junan dated 17 October 2016.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Scheme") has been adopted by the resolutions in writing of all the shareholders passed on 20 January 2017. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2017.

Other Information

AUDIT COMMITTEE

The audit committee of the Company (the "audit committee") was established on 20 January 2017 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The primary duties of the audit committee are to review the Company's draft annual, interim and quarterly financial reports and accounts and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

The audit committee currently consists of three independent non-executive Directors, namely Mr. Chan Hoi Kuen Matthew, Mr. Chung Wing Yin and Mr. Law Yui Lun. The chairman of the audit committee is Mr. Law Yui Lun, who has appropriate professional qualifications and experience in accounting matters.

The audit committee has reviewed the unaudited consolidated financial statements of the Group for the nine months ended 31 December 2017 and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

CBK Holdings Limited

WONG Wai Fong

Chairman and Executive Director

Hong Kong, 9 February 2018

As at the date of this report, the chairman and the executive Director of the Company is Ms. WONG Wai Fong, the executive Director of the Company is Mr. CHAN Lap Ping; and the independent non-executive Directors of the Company are Mr. CHAN Hoi Kuen Matthew, Mr. CHUNG Wing Yin and Mr. LAW Yui Lun.

This report will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.cbk.com.hk.