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CHerish Holdings Limited

東盈控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2113)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

The board (the “Board”) of directors (the “Directors”) of CHerish Holdings Limited (the “Company”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2017 (the “Reporting Period”) together with the comparative figures for the year ended 31 March 2016.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2017 amounted to approximately HK\$266.2 million (for the year ended 31 March 2016: approximately HK\$210.0 million).
- Gross profit for the year ended 31 March 2017 amounted to approximately HK\$49.8 million (for the year ended 31 March 2016: approximately HK\$42.5 million).
- Profit and total comprehensive income for the year ended 31 March 2017 amounted to approximately HK\$19.7 million (for the year ended 31 March 2016: approximately HK\$28.4 million).
- Basic and diluted earnings per share for the year ended 31 March 2017 amounted to approximately HK0.29 cents (for the year ended 31 March 2016: approximately HK0.47 cents).
- The Board does not recommend the declaration of a final dividend for the year ended 31 March 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Revenue	4	266,167	210,046
Cost of sales		(216,346)	(167,546)
Gross profit		49,821	42,500
Other income	5	419	515
Administrative expenses		(22,739)	(8,041)
Finance costs	6	(356)	(375)
Profit before taxation		27,145	34,599
Income tax expense	7	(7,399)	(6,175)
Profit and total comprehensive income for the year		19,746	28,424
Earnings per share (HK cents)			
– Basic and diluted	9	0.29	0.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		29,958	21,910
Deposits paid for purchase of plant and equipment		1,177	–
		31,135	21,910
Current assets			
Amounts due from customers for contract work	<i>10</i>	43,184	19,822
Trade and other receivables	<i>11</i>	24,346	32,687
Amounts due from directors		–	93
Restricted bank balances		2,571	–
Bank balances and cash		98,165	52,220
		168,266	104,822
Current liabilities			
Amounts due to customers for contract work	<i>10</i>	2,583	29,508
Trade and other payables	<i>12</i>	25,516	31,796
Unsecured banks borrowings		–	248
Obligations under finance leases – due within one year		5,170	3,391
Tax payable		2,061	10,777
		35,330	75,720
Net current assets		132,936	29,102
Total assets less current liabilities		164,071	51,012
Non-current liabilities			
Obligations under finance leases – due after one year		5,101	3,547
Deferred tax liabilities		2,952	2,263
		8,053	5,810
Net assets		156,018	45,202
Capital and reserves			
Share capital		7,678	–
Reserves		148,340	45,202
Total equity		156,018	45,202

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated and registered as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 31 March 2016 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 17 October 2016. Its ultimate holding company and immediate holding company is also Waterfront Palm Limited, a company incorporated in the British Virgin Islands (the “BVI”) which is ultimately owned by Ms. Choi Chun Chi Sandy, Mr. Tang Man On and Mr. Kwok Hoi Chiu (the “Controlling Shareholders”).

The address of the registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the address of the principal place of business of the Company is located at Office D, 16/F., Kings Wing Plaza 1, No. 3 On Kwan Street, Shek Mun, N.T., Hong Kong.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. GROUP REORGANISATION AND BASIC OF PRESENTATION

Pursuant to the reorganisation as detailed in the section headed “History and Development – Reorganisation” in the prospectus of the Company dated 30 September 2016 (the “Reorganisation”), the Company became the holding company of the companies now comprising the Group on 20 September 2016. The Company and its subsidiaries have been under the control and beneficially owned by the Controlling Shareholders throughout the two years ended 31 March 2017 or since their respective dates of incorporation or establishment up to 31 March 2017. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements of the Group have been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group throughout the two years ended 31 March 2017 or since their respective dates of incorporation or establishment up to 31 March 2017, using the principles of merger accounting.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows including the results, changes in equity and cash flows of the companies now comprising the Group have been prepared as if the current group structure had been in existence throughout the two years ended 31 March 2017. The consolidated statement of financial position of the Group as at 31 March 2016 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure has been in existence as at 31 March 2016.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”)

For the purpose of preparing and presenting the consolidated financial statements for the two years ended 31 March 2017, the Group has consistently applied all the new and revised HKFRSs, Hong Kong Accounting Standards (“HKASs”), amendments and interpretations (“Int(s)”) issued by the Hong Kong Institute of Certified Public Accountant which are effective for the Group’s financial year beginning on 1 April 2016.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ⁵
Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKAS 40	Transfers of Investment Property ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ²
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ²

¹ Effective for annual periods beginning on or after 1 January 2017.

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective for annual periods beginning on or after 1 January 2019.

⁴ Effective dates not yet been determined.

⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on the construction and site formation services rendered for both years.

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) (the directors of the Company) in order to allocate resources to segments and to assess their performance.

The Group’s operating activities are attributable to a single operating segment focusing on the provision of construction and site formation services. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that is regularly reviewed by the CODM. The CODM monitors the revenue from provision of construction and site formation services for the purpose of making decisions about resources allocation and performance assessment. The CODM reviews the profit for the year of the Group as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

Geographical information

The Group’s revenue from external customers by location of the operations is derived solely in Hong Kong (country of domicile). Non-current assets of the Group by location of the assets are all located in Hong Kong. As a result, geographical information has not been presented.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Customer A	69,677	70,328
Customer B	N/A*	82,227
Customer C	75,890	39,007
Customer D	38,860	N/A*
	<u> </u>	<u> </u>

* The corresponding revenue does not contribute over 10% of total revenue of the Group.

5. OTHER INCOME

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Bank interest income	5	3
Gain on disposals of plant and equipment	26	–
Refund of contributions from the Mandatory Provident Fund Scheme	68	206
Others	320	306
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

6. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on:		
– unsecured bank overdrafts and unsecured bank borrowings	7	67
– obligations under finance leases	349	308
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

7. INCOME TAX EXPENSE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current year taxation		
Hong Kong Profits Tax	5,997	5,015
Under provision in prior years		
Hong Kong Profits Tax	713	–
Deferred taxation	689	1,160
	<u>7,399</u>	<u>6,175</u>

Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

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

8. DIVIDENDS

No dividend was paid or proposed by the Company during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

During the year ended 31 March 2017, an interim dividend of HK\$19,000,000 (HK\$1,900,000 per share) was paid by a subsidiary, C&H Engineering Company Limited (“C&H”), to its then shareholders, prior to the completion of the Reorganisation.

During the year ended 31 March 2016, an interim dividend of HK\$20,000,000 (HK\$2,000,000 per share) was paid by C&H to its then shareholders, prior to the completion of the Reorganisation.

9. EARNINGS PER SHARE

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Earnings for the purpose of basic earnings per share		
Profit for the year attributable to the owners of the Company	<u>19,746</u>	<u>28,424</u>
	2017 <i>'000</i>	2016 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>note</i>)	<u>6,746,952</u>	<u>6,000,000</u>

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the effect of the capitalisation issue as detailed in the section headed “Share Capital” in the prospectus of the Company dated 30 September 2016.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2017 and 2016.

10. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACTR WORK

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Contracts in progress at the end of each reporting period:		
Contract costs incurred plus recognised profits less recognised losses	614,890	347,546
Less: progress billings	<u>(574,289)</u>	<u>(357,232)</u>
	<u>40,601</u>	<u>(9,686)</u>
Analysed for reporting purposes as:		
Amounts due from customers for contract work	43,184	19,822
Amounts due to customers for contract work	<u>(2,583)</u>	<u>(29,508)</u>
	<u>40,601</u>	<u>(9,686)</u>

11. TRADE AND OTHER RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade receivables	8,002	6,770
Retention receivables (<i>note</i>)	14,793	22,446
Prepaid listing expenses	–	783
Prepayments, deposits and other receivables	<u>1,551</u>	<u>2,688</u>
	<u>24,346</u>	<u>32,687</u>

Note: Retention receivables are included in current assets as the Group expects to realise these within its normal operating cycle.

The Group does not hold any collateral over these balances.

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of trade receivables, presented based on the date of the certified report which approximates revenue recognition date and invoice date at the end of the reporting period:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 to 30 days	5,042	6,401
31 to 60 days	2,950	365
61 to 120 days	10	4
	<hr/>	<hr/>
Total	8,002	6,770
	<hr/> <hr/>	<hr/> <hr/>

Trade receivables that were neither past due nor impaired related to customers that have no recent history of default payment.

Included in the Group's trade receivable balances were debtors with aggregate carrying amount of approximately HK\$10,000 (2016: HK\$4,000) which were past due as at the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amount was still considered recoverable.

The aged analysis of trade receivables which were past due but not impaired is set out below:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
61 to 120 days	10	4
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE AND OTHER PAYABLES

Trade payables represented payables to suppliers and subcontractors. The credit terms granted by subcontractors were stipulated in the relevant contracts and the payables were usually due for settlement within 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 to 30 days	8,174	12,317
31 to 60 days	1,311	5,269
61 to 90 days	773	290
91 to 365 days	3,803	319
	<hr/>	<hr/>
Total	14,061	18,195
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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has over 15 years of experience in undertaking site formation works as a subcontractor in Hong Kong. The site formations works undertaken by the Group generally include (a) general earthworks (including soil and rock excavation, disposal of construction and demolition materials, backfilling and compaction for forming a new site or achieving designed formation level for later development); (b) tunnel excavation works (including rock excavation works for construction of tunnels through drill and break and/or drill and blast methods as well as construction of associated temporary tunnel support structures); (c) foundation works (including excavation and lateral support works (the “ELS”) and associated structural works for construction of pile caps for commercial and residential building projects); and (d) road and drainage works. Since the listing of the Company on 17 October 2016 (the “Listing”), there has been no significant change in the business operations of the Group.

As at date of this announcement, there were six projects on hand with total contract sum amounting to approximately HK\$643.5 million. Except for two projects which are expected to be completed in the years ending 31 March 2019 and 31 March 2020, the remaining are expected to be completed in the forthcoming financial year.

During the Reporting Period and up to date of this announcement, the Group was awarded 12 site formation projects with an aggregate contract sum of approximately HK\$570.7 million. Seven of them were completed during the Reporting Period and together with seven projects awarded in the years ended 31 March 2015 and 31 March 2016, the Group has completed a total of 14 projects with total contract sum of approximately HK\$277.0 million.

Below set out a list of projects completed during the Reporting Period and those projects which are still in progress as at 31 March 2017 and up to date of this announcement:

Site Location	Type of Works	Status as at 31 March 2017	Status up to date of this announcement
Central and Western District	Site formation, ELS and pile cap works for a commercial development project	Completed	Completed
Islands District	Steel fabrication works	Completed	Completed
Tai Po District	Site formation works for a residential development project	Completed	Completed
Islands District	Installation of steel working platform	Completed	Completed
Islands District	Steel fabrication works	Completed	Completed
Islands District	Road works for a link road relating to Hong Kong-Zhuhai-Macao Bridge	Completed	Completed
Yau Tsim Mong District	Excavation and pile cap works for a residential and commercial development project	Completed	Completed
Islands District	Drainage works	Completed	Completed
Shatin District	Site formation, foundation, road and drainage works for a	Completed	Completed

Site Location	Type of Works	Status as at 31 March 2017	Status up to date of this announcement
Kowloon City District	residential development project Site formation, foundation, ELS and pile cap works for a railway extension project	Completed	Completed
Islands District	Site formation, road and drainage works for a hotel project of a major theme park in Hong Kong	Completed	Completed
Tuen Mun District	Excavation and underground drainage works for a construction project of Government complex	Completed	Completed
Yau Tsim Mong District	ELS and pile cap construction works for a hotel project	Completed	Completed
Kwun Tong District	Site formation works	Completed	Completed
Islands District	Tunnel excavation works by drill and break for a link road relating to Hong Kong-Zhuhai-Macao Bridge	Work in progress	Work in progress
Tuen Mun District	Site formation and geotechnical works for a residential and kindergarten development project	Work in progress	Work in progress
Islands District	Roadworks, drainage and duct works	Work in progress	Work in progress
Islands District	Demolish works	Work in progress	Work in progress
Shatin District	Site formation, slope work, road and drainage works	Work in progress	Work in progress
Kwun Tong District (<i>Note</i>)	Site formation works	N/A	Work in progress

Note: The project was awarded after 31 March 2017. Please refer to the voluntary announcement of the Company dated 4 May 2017 had been issued.

PROSPECTS

Going forward, the Group will continue to focus on developing business of undertaking site formation works in Hong Kong. According to the Hong Kong Government's Budget 2017-18, the Government proposes to invest approximately HK\$107.2 billion in infrastructure projects. In addition, other than the Ten Major Infrastructure Projects, Tseung Kwan O-Lam Tin Tunnel and three-runway system for the Hong Kong International Airport, the Government will continue to take forward the new town extension in Tung Chung, as well as the implementation plans for new development areas at Kwun Tung North, Fanling North, Hung Shui Kiu and Yuen Long South, etc.

The Directors consider that the Group is well-positioned to take on new site formation projects and believe that the Government's long term planning for infrastructure and the increasing Government support for rock caverns development projects would favour the growth of the Group and the demand of its services. In particular, the Group was involved in public projects including Hong Kong-Zhuhai-Macao Bridge and Tseung Kwan O-Lam Tin Tunnel.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to approximately HK\$266.2 million (2016: approximately HK\$210.0 million), representing an increase of approximately HK\$56.2 million or 26.8% from the previous year. Such increase was mainly attributable to the commencement of newly awarded projects in Tuen Mun, Islands and Kwun Tong District with contract sum of approximately HK\$173.9 million which contributed approximately 24.8% towards the total revenue of the Group.

Gross profit and gross profit margin

The Group's total gross profit increased by approximately HK\$7.3 million, or 17.2%, from approximately HK\$42.5 million for the year ended 31 March 2016 to approximately HK\$49.8 million for the Reporting Period. Such increase was mainly due to the revenue growth. The decrease of gross profit margin from approximately 20.2% for the year ended 31 March 2016 to approximately 18.7% for the Reporting Period was mainly attributable to the significant revenue contribution of several projects commenced during Reporting Period which has lower gross profit margin.

Administrative expenses

The administrative expenses of the Group for the Reporting Period amounted to approximately HK\$22.7 million, representing an increase of approximately 183.8% compared with approximately HK\$8.0 million for the year ended 31 March 2016. Such increase was mainly due to the increase in non-recurring listing expenses, donations, professional fees, staff costs as well as directors' emolument. Listing expenses borne by the Company amounted to HK\$20.4 million, of which HK\$10.2 million were charged to the profit or loss of the Group during the year.

Income tax expense

Income tax expense of the Group increased by approximately HK\$1.2 million or 19.4% from approximately HK\$6.2 million for the year ended 31 March 2016 to approximately HK\$7.4 million for the Reporting Period. The increase was mainly due to slightly increase in profit before taxation when excluding the effect of listing expenses of approximately HK\$10.2 million during the year, which was not tax deductible expenses.

Profit and total comprehensive income for the year

Profit and total comprehensive income for the year of the Group decreased by HK\$8.7 million to approximately HK\$19.7 million compared to approximately HK\$28.4 million for the year ended 31 March 2016. Such decrease was primarily attributable to the listing expenses incurred by our Group for its Listing exercise during the year. Excluding the non-recurring listing expenses, the Group's profit and total comprehensive income for the year would reach approximately HK\$29.9 million for the year ended 31 March 2017.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds of the share offer received by the Company in relation to the Listing were approximately HK\$97.0 million, after deduction of underwriting fees and commissions and expenses. These proceeds are intended to be applied in accordance with the proposed application set out in the paragraph headed “Future plans and use of proceeds” in the prospectus of the Company dated 30 September 2016 (the “Prospectus”). The below table sets out the proposed applications of the net proceeds and usage up to date of the announcement:

	Planned use of proceeds <i>HK\$'000</i>	Actual usage up to date of this announcement <i>HK\$'000</i>
Purchase of machinery and equipment	57,731	25,650
Expansion of workforce	18,102	5,964
Taking out surety bond	12,231	2,571
General working capital	8,929	1,588
	<u>96,993</u>	<u>35,773</u>

The Directors are not aware of material change to the planned use of proceeds as at the date of this announcement. Any net proceeds that were not applied immediately have been placed in the short-term demand deposits with authorised financial institutions or licensed banks in Hong Kong as at the date of this announcement.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 31 March 2017, the Group had bank balances and cash of approximately HK\$98.2 million (31 March 2016: approximately HK\$52.2 million). The increase was mainly due to the net proceeds received from the Listing. The interest-bearing debts of the Group as at 31 March 2017 was approximately HK\$10.3 million (31 March 2016: approximately HK\$7.2 million).

The gearing ratio is calculated based on the amount of total interest-bearing debts divided by total equity. The gearing ratio of the Group as at 31 March 2017 was approximately 6.6% (31 March 2016: approximately 15.9%). As a result of the increased equity following the Listing of the Company, the Group's gearing ratio decreased. The Group did not carry any hedging for its floating borrowings.

PLEDGE OF ASSETS

The Group's plant and machinery with an aggregate carrying values of approximately HK\$5.4 million and HK\$6.9 million and motor vehicles with an aggregate carrying values of approximately HK\$2.9 million and HK\$1.8 million as at 31 March 2017 and 2016, respectively, were pledged under finance leases.

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2017, the Group employed 114 staff (2016: 62 staff). Total staff costs including directors' emoluments for the year, amounted to approximately HK\$35.4 million (2016: approximately HK\$26.6 million). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses and promotions based on the performance of each employee.

During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

CAPITAL STRUCTURE

During the Reporting Period, there has been no change in capital structure of the Company. The capital of the Company comprises ordinary shares and capital reserves. The Group finances its working capital requirements through a combination of funds generated from operations and borrowings.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group did not hold any significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures apart from the reorganisation of the Group disclosed in the Prospectus.

CAPITAL COMMITMENTS

As at 31 March 2017, the Group did not have any capital commitments (31 March 2016: Nil).

CONTINGENT LIABILITIES

As at 31 March 2017, the Group did not have any significant contingent liabilities (31 March 2016: Nil).

ANNUAL GENERAL MEETING

The notice of the 2017 annual general meeting (the “AGM”) will be published and despatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in due course. The period for closure of register of members of the Company for determining the entitlement to attend and vote at the AGM will be set out in the notice of AGM.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company (the “Audit Committee”) consists of three independent non-executive Directors, namely Mr. Cheung Wai Lun Jacky, Mr. Lee Chi Ming and Mr. Tang Chi Wai. The Company’s annual results for the Reporting Period have been reviewed by the Audit Committee, which takes the view that the applicable accounting standards and requirements have been complied with by the Company and that adequate disclosures have been made. The Audit Committee has met the external auditor of the Company, SHINEWING (HK) CPA Limited, and reviewed the Group’s audited annual results for the Reporting Period.

DIVIDEND

The Directors do not recommend payment of a dividend for the year ended 31 March 2017 (2016: Nil).

CORPORATE GOVERNANCE

The Group recognise the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders’ interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules on the Stock Exchange.

In the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code during the period from the date of Listing to 31 March 2017 and, where appropriate, the applicable recommended best practices of the CG Code.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (“the Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. On specific enquiry made, all Directors have confirmed that throughout the period from the date of Listing to 31 March 2017, they have complied with the required standard as set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Since the date of Listing to 31 March 2017, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company’s website at www.cherishholdings.com. The annual report of the Company for the Reporting Period containing all information required by the Listing Rules will be dispatched to shareholders and published on above websites in due course.

By order of the Board of
CHerish Holdings Limited
Tang Man On
Chairman and Executive Director

Hong Kong, 22 June 2017

As at the date of this announcement, the Board comprises Mr. Tang Man On, Mr. Kwok Hoi Chiu and Ms. Choi Chun Chi Sandy as executive Directors, and Mr. Cheung Wai Lun Jacky, Mr. Lee Chi Ming and Mr. Tang Chi Wai as independent non-executive Directors.