CBK Holdings Limited
國茂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8428)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of CBK Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 the information contained in this announcement 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 announcement misleading.

FINANCIAL HIGHLIGHTS

The Company and its subsidiaries (collectively referred to as the "Group") recorded a revenue of approximately HK$122.7 million (2017: approximately HK$134.8 million) for the year ended 31 March 2018.

Loss attributable to owners of our Company was approximately HK$9.7 million for the year ended 31 March 2018 (2017: approximately HK$8.3 million).

Basic and diluted loss per share was approximately 0.81 HK cents for the year ended 31 March 2018 (2017: approximately 0.88 HK cents).

The board of directors (the "Board") does not recommend the payment of a final dividend for the year ended 31 March 2018.

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2018, together with the audited comparative figures for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*5*	**122,653**	134,758
Cost of inventories sold		**(51,830)**	(48,629)
Gross profit		**70,823**	86,129
Other revenue and other income	*6*	**2,064**	1,590
Staff costs		**(35,520)**	(38,500)
Depreciation of property, plant and equipment		**(3,543)**	(2,887)
Property rentals and related expenses		**(25,971)**	(20,857)
Fuel and utility expenses		**(4,354)**	(4,326)
Administrative expenses		**(13,981)**	(27,294)
Loss before tax	*7*	**(10,482)**	(6,145)
Income tax credit/(expenses)	*8*	**736**	(1,912)
Loss and total comprehensive loss for the year		**(9,746)**	(8,057)
Loss and total comprehensive loss for the year attributable to:			
Owners of the Company		**(9,746)**	(8,256)
Non-controlling interests		**—**	199
		(9,746)	(8,057)
Loss per share			
Basic and diluted (HK cents)	*10*	**(0.81)**	(0.88)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**10,911**	7,356
Deferred tax assets		**1,722**	820
Non-current deposits and prepayment		**5,370**	3,725
		18,003	11,901
Currents assets			
Inventories		**323**	245
Trade receivables	*11*	**1,001**	508
Deposits, prepayments and other receivables		**6,230**	5,536
Prepaid tax		**2,110**	611
Amount due from ultimate holding company		**33**	33
Cash and bank balances		**62,345**	84,422
		72,042	91,355
Current liabilities			
Trade payables	*12*	**2,926**	2,075
Accruals and other payables		**6,111**	9,829
Tax payables		**–**	598
		9,037	12,502
Net current assets		**63,005**	78,853
Net assets		**81,008**	90,754
Capital and reserves			
Share capital		**12,000**	12,000
Reserves		**69,008**	78,754
Total equity		**81,008**	90,754

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Attributable to owners of the Company						
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Merger reserve** *HK$'000* *(note a)*	**Retained earnings** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
At 1 April 2016	706	–	–	42,066	42,772	(40)	42,732
(Loss)/profit and total comprehensive (loss)/ income for the year	–	–	–	(8,256)	(8,256)	199	(8,057)
Capital injection into a newly incorporated subsidiary	10	–	–	–	10	–	10
Effect of reorganisation	(587)	–	591	155	159	(159)	–
Capitalisation issue	8,871	(8,871)	–	–	–	–	–
Issue of share by way of placing	3,000	72,000	–	–	75,000	–	75,000
Share issuing expenses	–	(6,931)	–	–	(6,931)	–	(6,931)
Dividend paid *(note (a))*	–	–	–	(12,000)	(12,000)	–	(12,000)
At 31 March 2017 and at 1 April 2017	12,000	56,198	591	21,965	90,754	–	90,754
Loss and total comprehensive loss for the year	–	–	–	(9,746)	(9,746)	–	(9,746)
At 31 March 2018	**12,000**	**56,198**	**591**	**12,219**	**81,008**	**–**	**81,008**

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 of the Company dated 27 January 2017 (the "Prospectus") and the nominal value of the share capital of the Company issued in exchange thereof.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. CORPORATE INFORMATION AND REORGANISATION

(a) General information

The Company is 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. Its ultimate holding company is Sure Wonder Investments Limited ("Sure Wonder"), a company incorporated in the British Virgin Islands ("BVI") and owned by Ms. Wong Wai Fong ("Ms. Wong"), Mr. Kwok Yiu Chung ("Mr. Kwok"), Mr. Tam Wai Shing ("Mr. Tam"), Ms. Yang Dongxiang ("Ms. Yang") and Mr. Hui Chun Wah ("Mr. Hui") (collectively referred to as the "Controlling Shareholders"). The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. 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.

The Company's shares are listed on 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 Company is an investment holding company and the Group is principally engaged in provision of catering services in Hong Kong.

The consolidated financial statements 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.

(b) Reorganisation

Pursuant to the Reorganisation as fully explained in the paragraph headed "Reorganisation" in the section headed "History and Development" of the Prospectus, the Company became the holding company of the companies now comprising the Group on 14 October 2016. Immediately prior to and after the Reorganisation, the companies now comprising the Group was controlled by the Controlling Shareholders. The Reorganisation is merely a reorganisation of the companies now comprising the Group with no change in management in such business and the ultimate owner of the business. Accordingly, the consolidated financial statements have been prepared on the basis by applying the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 *Meger Accounting for Common Control Combinations* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), as if the Reorganisation has been completed at the beginning of the reporting period.

The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the reporting period or since their respective date of incorporation, where there is a shorter period.

All intra-group transactions and balances have been eliminated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning from 1 April 2017. A summary of the new and revised HKFRSs applied by the Group is set out as follows:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014–2016 Cycle relating to Amendments to HKFRS 12 *Disclosures of Interests in Other Entities*
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised *Losses*

The application of new and revised HKFRSs in the current year has had no material impact on the Group's consolidated financial position and consolidated financial performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("GEM Listing Rules") on GEM of the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

4. SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through a chain of hotpot specialty restaurants in Hong Kong. Information reported to the Group's management for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no additional reportable segment and geographical information have been presented.

5. REVENUE

	2018	2017
	HK$'000	*HK$'000*
Restaurants operations	**122,653**	134,758

6. OTHER REVENUE AND OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
Promotion income	**1,507**	900
Bank interest income	**2**	2
Tips income	**278**	338
Others	**277**	350
	2,064	1,590

7. LOSS BEFORE TAX

	2018 *HK$'000*	2017 *HK$'000*
Auditors' remuneration *(note)*:		
— Audit services		
• HLB Hodgson Impey Cheng Limited	**840**	800
• Other auditors	**–**	67
— Non-audit services	**120**	124
	960	991
Cost of inventories sold	**51,830**	48,629
Depreciation of property, plant and equipment	**3,543**	2,887
Loss on written-off property, plant and equipment	**4**	115
Listing expenses	**–**	14,872
Minimum lease payments under operating lease in respect of restaurants and office premises	**23,661**	19,074
Employee benefit expenses (excluding Directors' and Chief executive's remuneration):		
— Salaries, allowances, bonuses and benefits in kind	**30,899**	33,670
— Staff benefits	**279**	416
— Retirement benefit scheme contributions	**1,407**	1,516
	32,585	35,602

Note: Exclude services for the listing of the Company.

8. INCOME TAX (CREDIT)/EXPENSES

	2018 *HK$'000*	2017 *HK$'000*
Current tax — Hong Kong Profits Tax		
Charge for the year	**165**	2,117
Under provision in prior years	**1**	4
	166	2,121
Deferred tax credit	**(902)**	(209)
	(736)	1,912

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

9. DIVIDEND

Prior to the Reorganisation, the Company's subsidiaries had declared and paid dividend to the shareholders during the reporting period was as follows:

	2018	2017
	HK$'000	*HK$'000*
Interim dividend	**–**	12,000

The interim dividend of HK$12,000,000 was paid in October 2016.

No final dividend has been paid or proposed by the Company since its incorporation. The board does not recommend the payment of final dividend for the years ended 31 March 2018 and 2017.

10. LOSS PER SHARE

The computations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	2018	2017
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	**(9,746)**	(8,256)

	2018	2017
	'000	*'000*
Numbers of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**1,200,000**	936,986

The calculation of basic loss per share for the years ended 31 March 2018 and 2017 is based on the loss for the year attributable to the owners of the Company and the weighted average number of ordinary shares.

For the year ended 31 March 2017, the weighted average number of ordinary shares for the purpose of calculating basic loss per share have been adjusted for the effect of placing completed on 15 February 2017.

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

11. TRADE RECEIVABLES

There was no credit period granted to individual customer for the restaurant operations. The Group's trading terms with its customers are mainly by cash and credit card settlement. The settlement terms of credit card companies are usually within 7 days after the service rendered date.

The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. The Group does not hold any collateral or other credit enhancement over its trade receivables balances.

The following is an aging analysis of trade receivables, presented based on the invoice dates, which approximates the respective revenue recognition dates and net of allowance for doubtful debts:

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**996**	508
31–60 days	**2**	–
61–90 days	**1**	–
Over 90 days	**2**	–
	1,001	508

Trade receivables are neither past due nor impaired, with good credit quality and have no default of payment in the past.

12. TRADE PAYABLES

The following is aging analysis of trade payables presented based on the invoice dates:

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**2,926**	2,075

The average credit period granted by suppliers are usually within 30 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 March 2018, 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)".

Subsequent to the year end, we closed two of our restaurants, namely CYMT and CWC, on 25 April 2018 and 6 June 2018, respectively. The financial performances of these two restaurants were below our expectation and had adversely impacted the overall financial performance of the Group. The Board considered that it was in the best interest of the Group and its shareholders to close these two restaurants.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK$12.1 million to HK$122.7 million (2017: approximately HK$134.8 million) for the year ended 31 March 2018. The decrease in revenue was mainly due to (i) closures of CCSW and CYL in July 2016 and October 2016, respectively, as mentioned in the Prospectus; and (ii) HK$11.2 million decrease in the revenue of CPE, CCWB, CTST and CWC mainly resulting from the decrease in average spending per customer per meal. The effect was partially offset by an increase in revenue from our new restaurant in Yau Tsim Mong district of HK$10.0 million which was opened in September 2017.

Cost of inventories sold

Our cost of inventories sold increased by approximately HK$3.2 million to HK$51.8 million (2017: approximately HK$48.6 million). The cost of inventories sold as a percentage of revenue increased by approximately 6.2% to 42.3% (2017: approximately 36.1%). Such increase was mainly due to the increase in the prices of our major food ingredients used in our operations.

Gross profit and gross profit margin

Our gross profit decreased by approximately HK$15.3 million to HK$70.8 million (2017: approximately HK$86.1 million) and our gross profit margin decreased by approximately 6.2% to 57.7% (2017: approximately 63.9%). The decrease in gross profit margin was primarily attributable to the promotion campaign offering discounts leading to a decrease in average spending per customer per meal.

Other revenue and other income

Our other revenue and other income increased by approximately HK$0.5 million to HK$2.1 million (2017: approximately HK$1.6 million) for the year ended 31 March 2018, which was primarily due to the increase in promotion income from beverage suppliers.

Staff costs

Our staff costs decreased by approximately HK$3.0 million to HK$35.5 million (2017: approximately HK$38.5 million) for the year ended 31 March 2018. The decrease in staff costs was mainly due to the closure of CCSW and CYL in July 2016 and October 2016, respectively, as mentioned in the Prospectus.

Depreciation of property, plant and equipment

Our depreciation of property, plant and equipment increased by approximately HK$0.6 million to HK$3.5 million (2017: approximately HK$2.9 million) for the year ended 31 March 2018. 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$5.1 million to HK$26.0 million (2017: approximately HK$20.9 million) for the year ended 31 March 2018. The increase was primarily due to (i) an increase in rental expenses incurred for some of our 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 remained relatively stable at approximately HK$4.4 million (2017: approximately HK$4.3 million) for the year ended 31 March 2018.

Administrative expenses

Our administrative expenses decreased by approximately HK$13.3 million to HK$14.0 million (2017: approximately HK$27.3 million) for the year ended 31 March 2018. The decrease was mainly due to the absence of listing expenses of HK$14.9 million during the year ended 31 March 2017.

Loss and total comprehensive loss for the year attributable to owners of the Company

As a result of the cumulative effect of the above factors, the Group had loss and total comprehensive loss for the year attributable to owners of the Company of approximately HK$9.7 million (2017: approximately HK$8.3 million) for the year ended 31 March 2018, which was primarily attributable to the decrease in revenue as discussed above.

RESULTS OF FINANCIAL POSITION

The Group's total assets decreased by approximately HK$13.3 million to HK$90.0 million (2017: approximately HK$103.3 million) as at 31 March 2018.

The Group's total liabilities decreased by approximately HK$3.5 million to HK$9.0 million (2017: approximately HK$12.5 million) as at 31 March 2018.

The equity attributable to owners of the Company decreased by approximately HK$9.8 million to HK$81.0 million (2017: approximately HK$90.8 million) as at 31 March 2018.

OUTLOOK

The Board will continue with its prudent site selection strategy to expand our network of hotpot restaurants. The Group will only lease sites which offer rent at rates suitable for hotpot restaurants which traditionally have relatively shorter operating hours as compared to other restaurants. We will continue to conduct feasibility studies on refining our existing brands and launching of new brands to meet growing customer expectations on dining experience.

We are exploring the commercial viability of extending our business hours. We have introduced such measure in one of our restaurants. We offer special discounts for customers who come for "happy hour" hotpot or "late night" hotpot at the restaurant.

Recruiting and retaining talent is one of our priorities in the coming year. We believe offering competitive salary is vital for attracting and retaining talent although this will impact our operating results. However, this can be mitigated by improving on overall operational efficiency and by enhancing staff communication at all levels.

Based on our success in the past, we remain optimistic about the Group's future development. We intend to cautiously execute our development plan as set forth in the Prospectus for the purpose of bringing a desirable return to our shareholders and facilitating the long-term growth of the business of the Group.

USE OF PROCEEDS FROM PLACING

The Company was listed on 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 March 2018, the net proceeds has been applied and utilised as follows:

	Actual net proceeds *HK$'000*	Amount utilised as at 31 March 2018 *HK$'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	1,467	1,533
General working capital	3,500	3,500	–
	53,500	15,246	38,254

Opening new hotpot restaurants

The Company had originally planned to use approximately HK$18.0 million of the net proceeds to open three new restaurants during the year ended 31 March 2018. However, only one restaurant was opened in Yau Tsim Mong district in September 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 and third restaurants. The Company expects the opening of the remaining restaurants will be delayed till the second half of 2018 and the first half of 2019.

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 of 31 March 2018, a total of approximately HK$0.8 million was spent on establishing the central kitchen. The reason for the lower amount utilised as at 31 March 2018 was that the premises have basic food processing and production equipment and utensils where the Company has been using since July 2017 for the processing and production of food for the Group's restaurant. The management considered that these equipment and utensils are sufficient to support the current level of production for the Group's restaurants. Should the need to ramp up production is required when there are more restaurants in the Group, the management will acquire new equipment and utensils to meet the production needs of the Group.

Enhancement of existing hotpot restaurants

The Company had planned to use approximately HK$6.0 million of the net proceeds to enhance its existing hotpot restaurants, namely CTP and CCWB during the year ended 31 March 2018. As at 31 March 2018, no proceeds are spent on enhancement work on both restaurants. The reasons for the delay with the enhancement work of CTP and CCWB were (i) the management wanted more time to evaluate whether to re-brand these two restaurants given that customers' behaviours have changed in recent years and the increasing rivalry among the players and highly intensified competition in the hotpot market sector; and (ii) in line with point (i), the management needed more time to determine the type of enhancement work needed for these two restaurants.

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 March 2018, a total of approximately HK$0.6 million was spent on new computers and related hardware peripherals. The reason for the delay in upgrading the information technology system was that the management needs more time to consider the upgrade plan of the Group's technology system. The management is considering to use technological tools such as internet marketing, big data and mobile payment systems to carry out marketing to targeted customers.

Setting up a new head office

The Company had planned to use approximately HK$3.0 million of the net proceeds to set up a new head office. The head office of the Company was finally relocated to a new premises in Kwai Chung at the end of October 2017 at a cost of approximately HK$1.5 million due to the efficient control of the relocation costs through reusing the existing office furniture in the new head office.

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.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on the GEM of the Stock Exchange on 15 February 2017. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2018, the Company's issued share capital was HK$12,000,000 and the number of its issued ordinary shares was 1,200,000,000 of HK$0.01 each.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and in this announcement, the Group did not have other plans for material investments or capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

As at 31 March 2018, the Company did not have any significant investment, material acquisitions and disposals of subsidiaries and associated companies.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group had 206 employees in Hong Kong (2017: 189 employees in Hong Kong), who had passed the probationary period. Remuneration is determined with reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and in reward for their contributions. Other fringe benefits such as medical insurance, retirement benefits and other allowances are offered to all our employees. Directors and other employees who have made valuable contribution to the Group may also receive options to be granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Directors confirm that as at the date of the Listing on 15 February 2017 and up to the date of this announcement, there has been no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2018.

FOREIGN CURRENCY EXPOSURE

Most of the transactions of the Group are denominated in Hong Kong dollar and the Group is not exposed to significant foreign exchange exposure. The Group currently does not have a foreign currency hedging policy. However, the management will monitor the foreign exchange exposure should the need arise.

CAPITAL COMMITMENTS

As at 31 March 2018, the Group did not have any material capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2018, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 31 March 2018, the Group did not have any mortgage or charge over its assets.

EVENTS AFTER THE REPORTING PERIOD

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

CORPORATE GOVERNANCE

The Board has adopted various policies to ensure compliance with the code provisions of the Corporate Governance Code under Appendix 15 to the GEM Listing Rules (the "CG Code"). For the year ended 31 March 2018, the Company has fully complied with all applicable provisions of the CG Code.

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, to review the Company's draft annual, interim and quarterly financial reports and accounts and to provide advice and comments thereon to the Board, and to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Chan Hoi Kuen Matthew, Mr. Chung Wing Yin and Mr. Law Yui Lun, with Mr. Law Yui Lun as its chairman, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee has together with the management reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2018, 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A separate environmental, social and governance report is expected to be published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.cbk.com.hk) no later than three months after the annual report has been published.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the respective websites of the Stock Exchange and the Company. The annual report for the reporting period containing all the information required by the GEM Listing Rules will be published on the websites of the Stock Exchange and the Company, and despatched to the Company's shareholders in due course.

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 from the date of Listing and up to the date of this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting ("AGM") of the Company will be held on Friday, 28 September 2018 at Room 1501, 15/F., Vanta Industrial Centre, 21–33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. For the purpose of determining entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Monday, 24 September 2018 to Friday, 28 September 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming AGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00p.m. on Friday, 28 September 2018.

For and on behalf of the Board
CBK Holdings Limited
WONG Wai Fong
Chairman and Executive Director

Hong Kong, 22 June 2018

As at the date of this announcement, 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 announcement 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.