Century Group International Holdings Limited
世紀集團國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2113)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

The board (the "**Board**") of directors (the "**Directors**") of Century Group International Holdings Limited (formerly known as 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 2019 (the "**Reporting Period**") together with the comparative figures for the year ended 31 March 2018.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2019 amounted to approximately HK$142.9 million (for the year ended 31 March 2018: approximately HK$192.3 million).
- Gross loss for the year ended 31 March 2019 amounted to approximately HK$74.5 million (for the year ended 31 March 2018: gross profit of approximately HK$23.4 million).
- Loss and total comprehensive expense for the year ended 31 March 2019 amounted to approximately HK$86.9 million (for the year ended 31 March 2018: profit and total comprehensive income of approximately HK$8.7 million).
- Basic and diluted loss per share for the year ended 31 March 2019 amounted to approximately HK11.3 cents (for the year ended 31 March 2018: basic and diluted earnings per share of approximately HK1.1 cents).
- The Board does not recommend the declaration of a dividend for the year ended 31 March 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2019

	Notes	**2019**	2018
		HK$'000	*HK$'000*
Revenue	*4*	**142,852**	192,341
Cost of sales		**(217,318)**	(168,894)
Gross (loss) profit		**(74,466)**	23,447
Other income	*5*	**478**	1,062
Administrative expenses		**(14,167)**	(13,252)
Finance costs	*6*	**(661)**	(326)
(Loss) profit before taxation		**(88,816)**	10,931
Income tax credit (expense)	*7*	**1,924**	(2,217)
(Loss) profit and total comprehensive (expense) income for the year		**(86,892)**	8,714
(Loss) earnings per share (HK cents)			
– Basic and diluted	*9*	**(11.3)**	1.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Notes	**2019**	2018
		HK$'000	*HK$'000*
Non-current assets			
Plant and equipment		**25,493**	51,166
Financial assets at fair value through other comprehensive income		**–***	–
Restricted bank balances		**15,293**	7,627
		40,786	58,793
Current assets			
Amounts due from customers for contract work	*10*	**–**	75,974
Trade and other receivables	*11*	**16,850**	37,937
Contract assets	*12*	**43,523**	–
Tax recoverable		**–**	4,334
Bank balances and cash		**12,997**	31,089
		73,370	149,334
Current liabilities			
Trade and other payables	*13*	**32,481**	29,859
Amount due to a director		**350**	–
Obligations under finance leases		**–**	4,361
		32,831	34,220
Net current assets		**40,539**	115,114
Total assets less current liabilities		**81,325**	173,907
Non-current liabilities			
Obligations under finance leases		**–**	3,766
Deferred tax liability		**3,485**	5,409
		3,485	9,175
Net assets		**77,840**	164,732
Capital and reserves			
Share capital		**7,678**	7,678
Reserves		**70,162**	157,054
Total equity		**77,840**	164,732

* Less than HK$1,000

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. On 7 December 2018 and 28 December 2018, 162,670,000 Shares and 397,865,000 shares of the Company were acquired by China Century Holdings Limited ("**China Century**"), a company incorporated in the British Virgin Islands (the "**BVI**"), respectively, amounted to 73.01% of the issued share capital of the Company. Immediately after the acquisition of shares, China Century becomes the immediate holding company of the Company. China Century is owned by World Communication International Holdings Limited, Xianghua International Holdings Limited, and China Medival Group Limited, companies incorporated in the BVI, which are ultimately owned by Mr. Cao Qian, Mr. Li Xiangzhong, and Mr. Zhang Chengzhou respectively.

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. BASIS OF PREPARATION

During the year ended 31 March 2019, the Group had net loss and net cash operating outflow of HK$86,892,000 and HK$26,634,000 respectively. At 31 March 2019, the Group had bank balances and cash of approximately HK$12,997,000 while trade and other payables and amount due to a director of approximately HK$32,481,000 and HK$350,000, respectively, which will be due within the coming twelve months from the end of the reporting period, and the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and/or other sources. These facts and circumstances indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern taking into account the Group's cash flow projection, including:

(i) Actively and regularly reviewing its capital structure and sourcing additional capital by issuing bonds or new shares, where appropriate;

(ii) Putting extra efforts on the negotiation with the customers of the projects to seek (a) compensation for additional time and costs incurred during the year and (b) certification of variation orders and claims; and

(iii) the Group is expected to generate adequate cash flows to maintain its operations.

Accordingly, the directors of the Company consider that it has sufficient working capital to meet its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets as current assets. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied, for its first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants.

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014 — 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The impact of the adoption of HKFRS 9 *Financial Instruments* and HKFRS 15 *Revenue from Contracts with Customers* have been summarised below. The application of other new and amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 superseded HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 April 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 11 *Construction Contracts*.

The impact of transition to HKFRS 15 was insignificant on the retained profits at 1 April 2018.

The amount of adjustments for each financial statement line item of the consolidated statement of financial position at 1 April 2018 affected by the application of HKFRS 15 is illustrated below. Line items that were not affected by the changes have not been included.

	Notes	Carrying amounts previously reported as at 31 March 2018 HK$'000	Impact on adoption of HKFRS 15 — Reclassification HK$'000	Carrying amounts as restated as at 1 April 2018 HK$'000
Current assets				
Amounts due from customers for contract work	*(a)*	75,974	(75,974)	–
Trade and other receivables	*(b)*	37,937	(21,774)	16,163
Contract assets	*(a)&(b)*	–	97,748	97,748

(a) At the date of initial application, unbilled revenue of approximately HK$75,974,000 arising from the construction contracts are conditional on the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers, and such balance was reclassified from amounts due from customers for contract work to contract assets.

(b) At the date of initial application, retention receivables of approximately HK$21,774,000 arising from the construction contracts are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts, and such balance was reclassified from trade and other receivables to contract assets.

Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 March 2019 as a result of the adoption of HKFRS 15 on 1 April 2018.

The following table summarises the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position at 31 March 2019, by comparing the amounts reported under HKAS 11 that were in effect before the change. Line items that were not affected by the adjustments have not been included. The adoption of HKFRS 15 did not have material impact on the Group's consolidated statement of profit or loss and other comprehensive income, operating, investing and financing cash flows.

	As reported in accordance with HKFRS 15* HK$'000	Reclassification HK$'000	Amount without application of HKFRS 15 HK$'000
Current assets			
Amounts due from customers for contract work	–	17,553	17,553
Trade and other receivables	16,850	26,516	43,366
Contract assets	44,069	(44,069)	–

* The amounts in this column are before the adjustments from the application of HKFRS 9.

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 April 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in retained profits as at 1 April 2018.

Classification and measurement of financial instruments

The directors of the Company reviewed and assessed the Group's existing financial assets and financial liabilities as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that all recognised financial assets and financial liabilities that are within the scope of HKFRS 9 continue to be measured at amortised cost as were previously measured under HKAS 39.

Loss allowance for expected credit losses ("ECL")

The adoption of HKFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss model with a forward-looking ECL approach. As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9.

It is concluded that, as at 1 April 2018, no additional credit loss allowance has been recognised against retained profits as the estimated allowance under the ECL model were not significantly different from the impairment losses previously recognised under HKAS 39.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2019.
[2] Effective for annual periods beginning on or after 1 January 2020.
[3] Effective for annual periods beginning on or after 1 January 2021.
[4] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
[5] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 *Property, Plant and Equipment*, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 *Leases* and the related interpretations when it becomes effective.

As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application.

As at 31 March 2019 the Group's future minimum lease payments under non-cancellable operating leases amounted to approximately HK$30,000 for its office premises and car parks, all of which is payable within one year after the reporting date. The Group plans to elect the practical expedient for not applying the new accounting model to these leases where the remaining lease term is 12 months or less. Furthermore, the Group intends to elect to use the modified retrospective approach for the application of HKFRS 16 and not to restate the comparative information. As such, the Group expects that the transaction adjustments to be made upon the initial adoption of HKFRS 16 will not be material.

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

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

	2019	2018*
	HK$'000	*HK$'000*
Disaggregation of revenue		
Revenue from contracts with customers within the scope of HKFRS 15 for the year ended 31 March 2019		
Disaggregation by major service line		
— Revenue from construction contracts from private sector	**137,178**	148,179
— Revenue from construction contracts from public sector	**5,674**	44,162
	142,852	192,341

* The amount for the year ended 31 March 2018 was recognised under HKAS 11.

Timing of revenue recognition

	Year ended 31/3/2019 *HK$'000*
Over time	**142,852**

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations as at 31 March 2019 amounting to approximately HK$240,125,000. The directors of the Company expect that all the remaining performance obligations will be recognised as revenue over the next 2 years from the end of the reporting period.

(b) Segment information

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 operating results 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.

(i) 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.

(ii) Information about major customers

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

	2019	2018
	HK$'000	*HK$'000*
Customer A	**31,667**	82,071
Customer B	**102,967**	62,433
Customer C	**N/A***	41,094

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

5. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Bank interest income	**110**	301
Gain on disposals of plant and equipment	**–**	626
Refund of contributions from Mandatory Provident Fund Scheme	**359**	80
Others	**9**	55
	478	1,062

6. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on:		
– unsecured bank overdrafts and unsecured bank borrowings *(note)*	**55**	–
– obligations under finance leases	**606**	326
	661	326

Note:

During the year ended 31 March 2019, the Group has raised a bank borrowing of HK$9,000,000 which has been fully settled.

7. INCOME TAX (CREDIT) EXPENSE

	2019	2018
	HK$'000	*HK$'000*
Over provision in prior years		
Hong Kong Profits Tax	**–**	(240)
Deferred taxation	**(1,924)**	2,457
	(1,924)	2,217

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 as there is no income tax imposed in such jurisdiction.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made as there was no assessable profits generated for the years ended 31 March 2019 and 2018.

Under the Law of the People's Republic of China (the "**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. No provision for PRC Enterprise Income Tax has been provided for the year ended 31 March 2019 as the Group did not have any assessable profits generated.

8. DIVIDENDS

No dividend was paid or proposed by the Company during the year ended 31 March 2019, nor has any dividend been proposed since the end of the reporting period (2018: nil).

9. (LOSS) EARNINGS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share (for the year attributable to the owners of the Company)	**(86,892)**	8,714

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	**767,750**	767,750

The diluted (loss) earnings per share is equal to the basic (loss) earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2019 and 2018.

10. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	2018
	HK$'000
Contracts in progress at the end of each reporting period:	
Contract costs incurred plus recognised profits less recognised losses	607,968
Less: progress billings	(531,994)
	75,974
Analysed for reporting purposes as:	
Amounts due from customers for contract work	75,974

Upon application of HKFRS 15, amounts due from customers for contract work are classified as contract assets and disclosed in note 12.

11. TRADE AND OTHER RECEIVABLES

	As at 31/3/2019 *HK$'000*	As at 1/4/2018 *HK$'000*	As at 31/3/2018 *HK$'000*
Receivables within the scope of HKFRS 15 at amortised cost comprise:			
Trade receivables	**12,171**	15,435	15,435
Retention receivables *(note)*	**—**	—	21,774
Prepayments, deposits and other receivables	**4,679**	728	728
	16,850	16,163	37,937

Note: The amount was expected to be recovered within one year from the end of the reporting period. Upon application of HKFRS 15, the amount is classified as contract assets and disclosed in note 12.

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:

	2019 *HK$'000*	2018 *HK$'000*
0 to 30 days	**12,063**	14,704
31 to 60 days	**108**	–
61 to 120 days	**–**	–
Over 1 year	**–**	731
	12,171	15,435

12. CONTRACT ASSETS

	As at 31/3/2019 *HK$'000*	As at 1/4/2018* *HK$'000*
Unbilled revenue of construction contracts	**17,335**	75,974
Retention receivables of construction contracts	**26,188**	21,774
	43,523	97,748

* The amounts in this column are after the adjustments from the application of HKFRS 15.

The Group's construction contracts normally include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The Group also typically agrees to one to two years retention period for 5% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The contract assets also include primarily relate to the Group's rights to consideration for work completed but not yet billed at the year end date. The contract assets are transferred to trade receivables when the rights become unconditional.

13. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**11,530**	16,860
Retention payables *(note)*	**2,402**	4,548
Amounts due to ex-directors	**12,000**	–
Accrued expenses and other payables	**6,549**	8,451
	32,481	29,859

Note: As at 31 March 2019, the amount of the Group's retention payables expected to be due after more than twelve months was approximately HK$968,000 (2018: approximately HK$2,150,000).

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 following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2019	2018
	HK$'000	*HK$'000*
0 to 30 days	**4,223**	8,160
31 to 60 days	**4,326**	4,699
61 to 90 days	**2,164**	2,768
91 to 365 days	**817**	1,233
	11,530	16,860

Amounts due to ex-directors are non-trade nature, unsecured, interest-free and repayable on demand.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

DISCLAIMER OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Uncertainties relating to going concern

As explained in note 1 to the consolidated financial statements, the Group incurred a net loss of approximately HK$86,892,000 and had net cash outflows from operating activities of approximately HK$26,634,000 during the year ended 31 March 2019. As at 31 March 2019, the Group had bank balances and cash of approximately HK$12,997,000, while its trade and other payables and amount due to a director of approximately HK$32,481,000 and HK$350,000 respectively which will be due within the coming twelve months from the end of the reporting period. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the abovementioned, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome of the Group's plans and measure to mitigate its liquidity pressure and to improve its financial performance as set out in note 1 to the consolidated financial statements. The successful outcomes of the abovementioned plans and measures are subject to multiple uncertainties.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 1 to the consolidated financial statements, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets as current assets. The effects of these adjustments have not been reflected in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has over 17 years of experience in providing 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. During the Reporting Period, there has been no significant change in the business operations of the Group.

As at 31 March 2019, there were five projects on hand with total contract sum amounting to approximately HK$408.2 million. Except for one site formation works project in Kwun Tung which is expected to be completed in the year ending 31 March 2021, the remainings are expected to be completed in the forthcoming financial year. During the Reporting Period, the Group was awarded four projects with total contract sum of approximately HK$98.1 million, of which approximately HK$12.1 million was recognised as revenue during the Reporting Period. As at 31 March 2019, five projects with outstanding contract sum of approximately HK$240.1 million were in progress. Two of the projects awarded in previous years with a total contract sum of approximately HK$143.7 million were completed during the Reporting Period.

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

Site Location	Type of Works	Status as at 31 March 2019	Status up to date of this announcement
Shatin District	Site formation, slope work, road and drainage works	Completed	Completed
Islands District	Roadworks, drainage and duct works	Completed	Completed
Kwun Tong District	Site formation works	Work in progress	Work in progress
Islands District	Airport road diversion and reinstatement and reinstatement of footpath	Work in progress	Work in progress
Islands District	Removal of rock material	Work in progress	Work in progress
Islands District	Earthworks, ELS and breaking off pile heads	Work in progress	Work in progress
Pok Fu Lam District	Site formation, ELS and slope stabilisation works	Yet to commence	Work in progress

PROSPECTS

2019 will be full of opportunities and challenges. The planned commitment in the Government's public expenditure on infrastructure will result in more business opportunities being presented to the market. Whilst factors including but not limited to difficult geological conditions, adverse weather conditions, variations to the construction plans instructed by customers and other unforeseen problems or circumstances that occur during project implementation continue being threats that likely affect the Group's profit as a subcontractor.

Looking forward, the Group will continue to focus on developing business of undertaking site formation works in Hong Kong and at the same time carefully evaluate each project and control the Group's overall costs to a reasonable level. Otherwise, the Group will actively seek potential business opportunities that will broaden the sources of income and enhance value to the shareholders.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue was amounted to approximately HK$142.9 million (2018: approximately HK$192.3 million), representing a decrease of approximately HK$49.4 million or 25.7% from the previous year. The decrease was mainly attributable to keen competition in the construction industry, resulting in less sizeable new projects had been awarded.

During the Reporting Period, the revenue of the Group for the year was mainly contributed by 6 projects, whereas revenue for the year ended 31 March 2018 was contributed by 11 projects. During the year, the Group was awarded four projects with total contract sum of approximately HK$98.1 million whereas in contrast the Group was awarded one project with contract sum of approximately HK$305.1 million in the last year.

Gross (loss) profit

During the year, the Group recorded a significant gross loss of approximately HK$74.5 million (2018: gross profit of approximately HK$23.4 million). The gross loss is mainly due to the following reasons:

1. during the year, total costs of approximately HK$27.6 million was recognised in a roadworks, drainage and duct works project in Islands District including but not limited to the additional work procedures, workers, machines and time being required to deal with the order instructed by the main contractor. The Group is negotiating with the customer of the project to seek compensation for additional time and costs, but such compensation could not be determined at the moment;

2. during the year, the Group recognised total costs of approximately HK$16.2 million in a site formation project in Shatin District including but not limited to labour costs, subcontracting fee and overhead cost due to delay in work progress as a result of changing working schedules as requested by the main contractor; and

3. during the second half of the financial year, the Group has experienced slowdown and/or suspension of certification of variation order and claims from one of our main contractor. Despite the Group's repeated request and/or demands, the Group has been given the understanding that the relevant certification of variation order and claims are still under main contractor's internal circulation and/or in some cases no responses were given. The deteriorated situation has changed overall profitability of the project and the costs recognised of approximately HK$62.6 million in fulfilling these variation order.

Administrative expenses

The administrative expenses of the Group for the Reporting Period amounted to approximately HK$14.2 million, representing an increase of approximately 6.8% compared with approximately HK$13.3 million for the year ended 31 March 2018. The increase was mainly attributable to the increase in staff costs and the professional fees for the cash offer during the year.

(Loss) profit and total comprehensive (expense) income for the year

Loss and total comprehensive expense for the year of the Company amounted to approximately HK$86.9 million (2018: profit and total comprehensive income for the year of approximately HK$8.7 million). The turning of profit to loss was mainly attributable to the decrease in revenue and increase in cost of sales as mentioned above.

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 this announcement:

	Planned use of proceeds *HK$'000*	**Actual usage up to date of this announcement** *HK$'000*
Purchase of machinery and equipment	57,731	57,731
Expansion of workforce	18,102	18,102
Taking out surety bond	12,231	12,231
General working capital	8,929	8,929
	96,993	96,993

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 31 March 2019, the Group had bank balances of approximately HK$13.0 million (2018: approximately HK$31.1 million), which were principally denominated in Hong Kong dollars. The decrease was mainly due to the aggregate net cash used in operation, investing and financing activities of approximately HK$18.1 million. The interest-bearing debts of the Group as at 31 March 2019 was nil (2018: approximately HK$8.1 million).

During the Reporting Period, the Group had an unsecured interest-bearing bank borrowing of HK$9 million denominated in Hong Kong dollars which has been fully settled. As at 31 March 2019, the trade and other payables and amount due to a director were approximately HK$32,481,000 and HK$350,000, respectively, which will be due within the coming twelve months from the end of the Reporting period. For details, please refer to the notes 2 and 6 to the consolidated financial statements in this announcement.

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 2019 was nil (2018: approximately 4.9%), as a result of the full settlement of the finance leases during the Reporting Period.

PLEDGE OF ASSETS

The Group's plant and machinery with an aggregate net book value of nil and approximately HK$2.7 million and motor vehicles with an aggregate net book value of nil and approximately HK$1.8 million as at 31 March 2019 and 2018, 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 2019, the Group employed 166 staff (2018: 222 staff). Total staff costs including directors' emoluments for the year, amounted to approximately HK$91.0 million (2018: approximately HK$68.1 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.

As at 31 March 2019 and as at the date of this announcement, there are a total of 767,750,000 issued shares of the Company.

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.

CAPITAL COMMITMENTS

As at 31 March 2019, the Group did not have any capital commitments (2018: Nil).

CONTINGENT LIABILITIES

As at 31 March 2019, the Group did not have any significant contingent liabilities (2018: Nil).

SIGNIFICANT EVENT(S)

Change of Controlling Shareholder

On 19 October 2018, Waterfront Palm Limited (as vendor) and Mr. Tang Man On, Mr. Kwok Hoi Chiu and Ms. Choi Chun Chi Sandy (as guarantors of Waterfront Palm Limited) entered into an agreement ("**Sale and Purchase Agreement**") with China Century Holdings Limited (as purchaser), pursuant to which China Century Holdings Limited acquired 397,865,000 shares (representing approximately 51.82% of the issued share capital of the Company at the relevant time) at a consideration of HK$254,999,635.80 in aggregate, equivalent to HK$0.64092 per share.

Following completion of the Sale and Purchase Agreement on 22 October 2018, China Century Holdings Limited made an unconditional mandatory cash offer ("**Offer**") to acquire all the issued shares of the Company not already owned and/or agreed to be acquired by it or parties acting in concert with it at a price of HK$0.641 per share. Immediately after the close of the Offer on 28 December 2018, China Century Holdings Limited was interested in 560,535,000 shares, representing approximately 73.01% of the issued shares of the Company.

Please also refer to the joint announcement issued by the Company and China Century Holdings Limited dated 24 October 2018, the composite document issued by the Company and China Century Holdings Limited on 7 December 2018, and the joint announcement issued by the Company and China Century Holdings Limited dated 28 December 2018, respectively.

Change of Directors

(1) With effect from 14 June 2018, Ms. Wong Chi Yan resigned as an executive Director.

(2) With effect from 7 December 2018,

  (a) Mr. Zhang Chengzhou and Mr. Cao Jun have been appointed as executive Directors;

  (b) Mr. Tang Man On resigned from his position as the chairman of the Board; and

  (c) Mr. Zhang Chengzhou has been appointed as the chairman of the Board.

(3) With effect from 10 December 2018, Mr. Li Xiangzhong has been appointed as executive Director; and Mr. Cao Qian has been appointed as the non-executive Director.

(4) Due to a change in control of the Company, after the close of the Offer on 28 December 2018, Mr. Tang Man On, Mr. Kwok Hoi Chiu and Ms. Choi Chun Chi Sandy (the "**Resigned Directors**") resigned as executive Directors.

Following the resignation of the Resigned Directors,

(a) Mr. Li Xiangzhong has been appointed as the chief executive officer of the Company in place of Mr. Kwok Hoi Chiu;

(b) Mr. Zhang Chengzhou and Ms. Lee Ka Man have been appointed as the authorised representatives of the Company under Rule 3.05 of the Listing Rules in place of Mr. Tang Man On and Mr. Kwok Hoi Chiu; and

(c) Ms. Lee Ka Man has been appointed as the process agent of the Company under Rule 19.05(2) of the Listing Rules and Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) in place of Mr. Kwok Hoi Chiu.

Following the appointment of the Mr. Li Xiangzhong and Mr. Cao Qian as Directors on 10 December 2018, the number of independent non-executive Directors in the Company fell below the requirement under Rule 3.10A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") that the Company must appoint independent non-executive Directors representing at least one-third of the Board. The Company has re-complied with the above requirement after the resignation of the Resigned Directors on 28 December 2018.

Change of Company Name and Stock Short Name

On 31 January 2019, the special resolutions approving the change of the English name of the Company from "CHerish Holdings Limited" to "Century Group International Holdings Limited" and the dual foreign name of the Company from "東盈控股有限公司" to "世紀集團國際控股有限公司" (the "**Change of Name**") and the consequential amendments to the memorandum and articles of association of the Company regarding the Change of Name were duly passed by the shareholders of the Company at the extraordinary general meeting of the Company held on 31 January 2019.

Accordingly, the English stock short name of the Company has been changed from "CHERISH HLDGS" to "CENTURY GP INTL" and the Chinese stock short name of the Company has been changed from "東盈控股" to "世紀集團國際" for trading in the shares of the Company on the Stock Exchange, with effect from 8 March 2019.

SUBSEQUENT EVENT(S) AFTER REPORTING PERIOD

Change of Chairman of the Board

With effect from 16 April 2019, (1) Mr. Zhang Chengzhou resigned as chairman of the Board of the Company; and (2) Mr. Li Xiangzhong, an executive Director and chief executive officer of the Company, has been appointed as a chairman of the Board.

Pursuant to Code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Notwithstanding the deviation from code provision A.2.1, the Board believes that with the support of the management, vesting the roles of both chairman and chief executive officer by the same person can facilitate execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which currently consists of three executive directors, one non-executive directors and three independent non-executive directors, the interest of the shareholders of the Company will be adequately and fairly represented.

ANNUAL GENERAL MEETING

The notice of the 2019 annual general meeting (the "**AGM**") will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules 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 Group's consolidated financial statements and final 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, and have been audited by the Group's auditors, Messrs. SHINEWING (HK) CPA Limited.

DIVIDEND

The Directors do not recommend payment of a dividend for the year ended 31 March 2019 (2018: Nil).

CORPORATE GOVERNANCE

The Group recognises 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 Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules on the Stock Exchange.

In the opinion of the Directors, save as disclosed under section "Change of Directors" in this announcement, the Company has complied with all code provisions as set out in the CG Code during the Reporting Period 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 Reporting Period, they have complied with the required standard as set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company.

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
Century Group International Holdings Limited
Li Xiangzhong
Chairman

Hong Kong, 28 June 2019

As at the date of this announcement, the Board comprises Mr. Li Xiangzhong, Mr. Cao Jun and Mr. Zhang Chengzhou as executive Directors, Mr. Cao Qian as non-executive Director and Mr. Cheung Wai Lun Jacky, Mr. Lee Chi Ming and Mr. Tang Chi Wai as independent non-executive Directors.