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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)

PROFIT WARNING

This announcement is made by CHerish Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Company’s preliminary review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 September 2018, the Group expects to record a gross loss, a net loss ranging from approximately HK\$5.0 million to approximately HK\$9.0 million for the six months ended 30 September 2018 as compared to a gross profit of approximately HK\$15.1 million and a net profit of approximately HK\$7.9 million for the six months ended 30 September 2017. The Board considers that the decline was mainly attributable to:

- (a) keen competition in the industry resulting limited number of new projects awarded and decreased contract revenue for the six months ended 30 September 2018. During the six months ended 30 September 2018, the Group was awarded two projects in Islands District with total contract sum of approximately HK\$13.6 million whereas in contrast the Group was awarded one project with contract sum of approximately HK\$305.1 million in May 2017;
- (b) additional direct costs incurred in a roadworks, drainage and duct works project in Islands District arising from 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; and
- (c) increase in labour cost expenditure, subcontracting fee and overhead cost in a site formation project in Shatin District due to delay in work progress as a result of changing working schedules as requested by the main contractor. The longer project duration has exerted pressure on the profit of the project and decreased the overall gross profit of the project.

Although a loss may potentially be recorded by the Group for the six months ended 30 September 2018, the Board considers that the Group's overall financial position remains healthy and the Board remains positive on the long-term prospects of the Group.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ended 30 September 2018. This profit warning announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group which are subject to finalisation and other potential adjustments, if any, and have not been reviewed or audited by the Company's auditor nor have they been reviewed by the audit committee of the Company. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company, which is expected to be published in late November 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the announcement (the "**Rule 3.5 Announcement**") jointly issued by China Century Holdings Limited (as the offeror) and the Company on 24 October 2018 in relation to, among other things, the Offer (as defined in the Rule 3.5 Announcement).

The profit warning included in this announcement (the "**Profit Warning**") constitutes a profit forecast under Rule 10 of The Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**") issued by the Securities and Futures Commission of Hong Kong and should be reported on by the Company's financial adviser and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Profit Warning will be reported on by the Company's financial advisers and auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders (the "**Shareholders' Document**"). However, if the interim results for the six months ended 30 September 2018 which fall within the ambit of Rule 10.9 of the Takeovers Code have been published by the time of release of the next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, the requirements to report on the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING:

Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offer (as defined in the Rule 3.5 Announcement). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 1 November 2018

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.