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## **GRAND BRILLIANCE GROUP HOLDINGS LIMITED**

**君百延集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8372)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2018**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “HONG KONG 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 Hong Kong 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Hong Kong Stock Exchange 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 Grand Brilliance Group Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Hong Kong Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading and deceptive; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

### THIRD QUARTERLY RESULTS

The board of the Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2018, together with the comparative figures for the corresponding period in 2017, as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the three months and nine months ended 31 December 2018*

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Revenue</b>	4	<b>14,153</b>	12,251	<b>42,157</b>	40,005
Cost of revenue		<b>(7,247)</b>	(5,255)	<b>(19,227)</b>	(18,429)
<b>Gross profit</b>		<b>6,906</b>	6,996	<b>22,930</b>	21,576
Other income		<b>124</b>	–	<b>488</b>	50
Other gains or losses		–	–	–	97
Distribution and selling expenses		<b>(253)</b>	(198)	<b>(726)</b>	(588)
Administrative and other operating expenses		<b>(5,744)</b>	(3,349)	<b>(15,045)</b>	(8,794)
Listing expenses		–	(4,085)	–	(10,641)
<b>Profit/(Loss) before income tax</b>	5	<b>1,033</b>	(636)	<b>7,647</b>	1,700
Income tax expense	6	<b>(317)</b>	(588)	<b>(1,538)</b>	(2,158)
<b>Profit/(Loss) for the period attributable to owners of the Company</b>		<b>716</b>	(1,224)	<b>6,109</b>	(458)
<b>Other comprehensive income</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Available-for-sale financial assets					
— Changes in fair value		–	–	–	(20)
Other comprehensive income for the period		–	–	–	(20)
<b>Total comprehensive income attributable to owners of the Company</b>		<b>716</b>	(1,224)	<b>6,109</b>	(478)
<b>Earnings/(Loss) per share attributable to owners of the Company</b>					
Basic and diluted (HK cents)	8	<b>0.09</b>	(0.19)	<b>0.76</b>	(0.07)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the nine months ended 31 December 2018*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Available- for-sale financial assets revaluation reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 1 April 2017 (audited)</b>	1,500	–	–	225	29,507	31,232
Loss for the period	–	–	–	–	(458)	(458)
Other comprehensive income for the period						
— Fair value changes of available-for-sale financial asset	–	–	–	(20)	–	(20)
Total comprehensive income for the period	–	–	–	(20)	(458)	(478)
Dividends declared ( <i>note 7</i> )	–	–	–	–	(14,040)	(14,040)
Arising from group reorganisation	(1,500)	–	1,500	–	–	–
Issue of shares	–	14,132	–	–	–	14,132
<b>At 31 December 2017 (unaudited)</b>	<u>–</u>	<u>14,132</u>	<u>1,500</u>	<u>205</u>	<u>15,009</u>	<u>30,846</u>
<b>At 1 April 2018 (audited)</b>	<b>8,000</b>	<b>52,499</b>	<b>1,500</b>	<b>205</b>	<b>12,387</b>	<b>74,591</b>
Adjustment on adoption of HKFRS 9	–	–	–	(205)	205	–
<b>At 1 April 2018 (after adjustment)</b>	<b>8,000</b>	<b>52,499</b>	<b>1,500</b>	<b>–</b>	<b>12,592</b>	<b>74,591</b>
Profit for the period and total comprehensive income for the period	–	–	–	–	6,109	6,109
<b>At 31 December 2018 (unaudited)</b>	<u><b>8,000</b></u>	<u><b>52,499</b></u>	<u><b>1,500</b></u>	<u><b>–</b></u>	<u><b>18,701</b></u>	<u><b>80,700</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 31 December 2018*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability under the Companies Law, Cap.22 of the Cayman Islands on 5 July 2017. Its shares have been listed on GEM of The Hong Kong Stock Exchange on 29 March 2018 (the “Listing”). The address of the Company’s registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is situated at Units 2901-03 and 2905, 29/F, The Octagon, 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance.

The Company’s parent is B&A Success Limited (“B&A Success”), a company incorporated in the British Virgin Islands (“BVI”). In the opinion of the Directors, B&A Success is also the ultimate parent of the Company.

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

Pursuant to the reorganisation of the Group (the “Reorganisation”) in connection with the Listing, the Company became the holding company of the companies comprising the Group. Details of the Reorganisation are set out in the section headed “History, Reorganisation and Corporate Structure” in the prospectus of the Company dated 19 March 2018 (the “Prospectus”).

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants, the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2018.

The condensed consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair values.

The accounting policies and basis of preparation adopted in the preparation of the condensed consolidated financial statements are consistent with those of the Group as set out in the annual report of the Group for the year ended 31 March 2018, except for the adoption of the new/revised HKFRSs which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 April 2018 as described below:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

The adoption has no significant changes on the Group’s reported results and the financial position of the Group for the current or prior reporting periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated financial statements for the nine months ended 31 December 2018 have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company (the "Audit Committee").

### 3. SEGMENT INFORMATION

#### (a) Operating segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, i.e. directors of the Company who are used to make strategic decisions.

During the reporting periods, the directors assess the operating performance and allocate the resources of the Group as a whole as the Group is primarily engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance. Therefore the Group has only one operating segment that qualifies as reportable segment under HKFRS 8 Operating Segment.

#### (b) Geographical segment information

The Company is an investment holding company and the principal place of the Group's operations is in Hong Kong. Accordingly, management determines that the Group is domiciled in Hong Kong. All of the Group's revenue are derived from and most of the Group's non-current assets are located in Hong Kong. Accordingly, no separate segmental analysis is presented.

#### (c) Information about major customers

For the nine months ended 31 December 2018, revenue from one customer amounted to approximately HK\$4,487,000, which represented more than 10% of the Group's revenue. For the nine months ended 31 December 2017, no revenue from a single customer accounted for 10% or above of the total revenue of the Group.

### 4. REVENUE

The Group is principally engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance. Revenue derived from the principal activities comprises the following:

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Sales of medical devices and products				
Medical consumables	8,550	9,333	27,881	29,055
Medical equipment	4,540	1,438	11,460	7,733
Medical instruments	538	752	1,234	1,602
Others	3	1	10	1
	<b>13,631</b>	11,524	<b>40,585</b>	38,391
Rendering of maintenance services	482	688	1,451	1,502
Rental income from leasing medical devices	40	39	121	112
	<b>14,153</b>	12,251	<b>42,157</b>	40,005

## 5. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging/(crediting):

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Auditor's remuneration	–	349	–	884
Cost of inventories recognised as expense <sup>#</sup>				
— Carrying amount of inventories consumed	<b>6,560</b>	4,677	<b>17,780</b>	16,670
— Allowance for inventories	<b>166</b>	266	<b>277</b>	492
— Write-off of inventories	<b>125</b>	–	<b>172</b>	158
	<b>6,851</b>	4,943	<b>18,229</b>	17,320
Depreciation of property, plant and equipment*	<b>245</b>	123	<b>688</b>	242
Employee costs (including directors' emoluments)				
— Salaries, allowances and other benefits	<b>2,855</b>	1,566	<b>7,998</b>	4,446
— Contributions to defined contribution retirement plan	<b>90</b>	72	<b>241</b>	199
	<b>2,945</b>	1,638	<b>8,239</b>	4,645
Bank interest income	(124)	–	(367)	–
Exchange loss/(gains), net	<b>161</b>	15	<b>244</b>	(97)
Operating lease charges in respect of buildings	<b>722</b>	675	<b>2,190</b>	1,826
Research and development expenditure <sup>^</sup>	<b>140</b>	108	<b>378</b>	348

<sup>#</sup> Included in cost of revenue

<sup>\*</sup> Included in administrative and other operating expenses

<sup>^</sup> Included in research and development expenditure are staff costs amounted to approximately HK\$360,000 for the nine months ended 31 December 2018 (nine months ended 31 December 2017: approximately HK\$325,000) which have been included in the employee costs above.

## 6. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statement of comprehensive income represents:

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Current tax for the period				
— Hong Kong Profits Tax	356	364	1,463	1,896
(Over)/under-provision in respect of prior years	—	—	(14)	26
	<u>356</u>	<u>364</u>	<u>1,449</u>	<u>1,922</u>
Deferred tax	(39)	224	89	236
	<u>317</u>	<u>588</u>	<u>1,538</u>	<u>2,158</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the nine months ended 31 December 2018 and 2017.

## 7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2018.

The dividend amounts set out in the condensed consolidated statement of changes in equity of HK\$14,040,000 for the nine months ended 31 December 2017, represented the aggregate of the interim dividend of HK\$2,840,000 and the special dividend of HK\$11,200,000 declared by a subsidiary of the Company to their then shareholders and were fully settled.

## 8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings/(loss) per share is based on the following data:

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Earnings/(Loss)</b>				
Profit/(Loss) for the period attributable to owners of the Company	<u>716</u>	<u>(1,224)</u>	<u>6,109</u>	<u>(458)</u>
	'000	'000	'000	'000
<b>Number of shares</b>				
Weighted average number of ordinary shares in issue for the purpose of calculating basic earnings/(loss) per share	<u>800,000</u>	<u>632,000</u>	<u>800,000</u>	<u>632,000</u>

The number of shares for the purpose of calculating basic earnings/(loss) per share for the three months and nine months ended 31 December 2017 have been retrospectively adjusted for the issue of shares during the Reorganisation and Capitalisation Issue (as defined in the Prospectus), as if these shares had been issued throughout the period.

Diluted earnings/(loss) per share are same as the basic earnings/(loss) per share as there are no dilutive potential ordinary shares in existence during the three months and nine months ended 31 December 2018 and 2017.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is an established medical device distributor with over 19 years of experience in the medical device market in Hong Kong. As an integral part of the distribution business, the Group also provide one-stop medical device solutions, including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical device leasing services and quality assurance. To satisfy the customers' specifications and requirements, the Group sourced over 10,000 types of medical devices directly from over 40 suppliers which mostly comprised overseas medical device manufacturers and supplied these medical devices together with the necessary medical devices solutions to a large number of customers mainly comprising all private hospitals in Hong Kong, substantially all of the public hospitals in Hong Kong, and some of the private clinics, non-profit organisations, universities and individual end-users in Hong Kong.

The variety of medical device products the Group supplies to the customers is broadly categorised into four major types, namely: (i) medical consumables such as needleless connectors, ligation clips, biopsy needles, drapes used during operation, suction liners, suction tubings, wound drain products, respiratory and feeding products; (ii) medical equipment such as electric beds and mattresses, stretchers, furniture used in wards, respiratory care products and blood warmers; (iii) medical instruments such as anterior cervical retractor system for neurosurgery and laparoscopic instruments for minimally invasive surgery; and (iv) other healthcare products such as hand sanitisers which are ancillary in nature.

During the nine months ended 31 December 2018, the Group continues to grow its business through diversifying the product portfolio. The Group has successfully promoted airway management anaesthetic products, which can be applied in general anesthesia, accident and emergency, resuscitation and elective inpatient and outpatient surgical procedure. The Group is also approaching the potential customers to promote the pharmacy automation system and the automated logistics system for transportation and delivery of medication, laboratory specimens and necessities for patients.

Looking forward, the Group hopes to supply more comprehensive range of respiratory products for oxygen and aerosol therapy together with active humidification for both invasive and non-invasive ventilation. The Group also expands the range of the urology products, pelvic stabilization medical device used for pelvic fracture treatment, and hemostatic dressing for efficient control of severe bleeding such as surgical wounds and traumatic injuries.



## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately 5.4%, from approximately HK\$40.0 million for the nine months ended 31 December 2017 to approximately HK\$42.2 million for the nine months ended 31 December 2018. The increase was primarily attributable to the increase in revenue generated from medical equipment, resulting from the increase in sales of electric beds and spare parts.

### **Gross profit and gross profit margin**

The Group recorded gross profit of approximately HK\$22.9 million for the nine months ended 31 December 2018, representing an increase by approximately HK\$1.3 million or 6.3%, as compared to approximately HK\$21.6 million for the nine months ended 31 December 2017. The Group's gross profit margin remained relatively stable at approximately 54.4% and 53.9% respectively for the nine months ended 31 December 2018 and 2017.

### **Administrative and other operating expenses**

Administrative and other operating expenses mainly included auditor's remuneration, advertising and marketing expenses, depreciation, Directors' remuneration, legal and professional fee, rent, rates and management fee for office and warehouses, recruitment costs, staff costs, travelling and entertainment expenses and other miscellaneous expenses.

Administrative and other operating expenses for the nine months ended 31 December 2018 amounted to approximately HK\$15.0 million, representing an increase by approximately HK\$6.2 million or 71.1%, as compared to approximately HK\$8.8 million for the nine months ended 31 December 2017.

The increase was primarily attributable to the increase in the (i) staff costs, including Directors' remuneration, by approximately HK\$3.6 million; (ii) legal and professional fee by approximately HK\$0.9 million; (iii) depreciation by approximately HK\$0.4 million; (iv) rent, rates and management fee by approximately HK\$0.4 million; (v) recruitment costs by approximately HK\$0.3 million; (vi) travelling and entertainment expenses by approximately HK\$0.3 million; and (vii) other miscellaneous expenses by approximately HK\$0.3 million.

### **Listing expenses**

For the nine months ended 31 December 2018, no non-recurring listing expenses were incurred. The Group recognised such expenses of approximately HK\$10.6 million in connection with the Listing for the nine months ended 31 December 2017.

### **Income tax expenses**

Income tax expenses for the nine months ended 31 December 2018 amounted to approximately HK\$1.5 million (nine months ended 31 December 2017: approximately HK\$2.2 million). During the nine months ended 31 December 2017, the Group incurred one-off listing expenses which were not deductible for taxation purpose.

### **Profit/(Loss) for the period**

During the nine months ended 31 December 2018, the Group recorded a profit of approximately HK\$6.1 million, as compared to the loss of approximately HK\$0.5 million for the nine months ended 31 December 2017. Excluding the non-recurring listing expenses, profit for the nine months ended 31 December 2017 would have been amounted to approximately HK\$10.2 million. The Group's profit (excluding non-recurring listing expenses) decreased by approximately 40.0%, from approximately HK\$10.2 million for the nine months ended 31 December 2017 to approximately HK\$6.1 million for the nine months ended 31 December 2018, mainly as a result of the increase in administrative and other operating expenses.

### **Dividends**

The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2018.

The dividend of HK\$14,040,000 for the nine months ended 31 December 2017 represented the aggregate of the interim dividend of HK\$2,840,000 and the special dividend of HK\$11,200,000 declared by a subsidiary of the Company to their then shareholders and were fully settled.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which shall have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which shall be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which shall be required to notify the Company and the Hong Kong Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

### Long position in the Shares and shares in associated corporation

Name of Director/ chief executive	Name of Group member/ associated corporation	Nature of interest	Total number of Shares/ shares in associated corporation	Approximate percentage of shareholding
Ms. Wong Bik Kwan Bikie (“Ms. Wong”)	The Company	Interest in a controlled corporation	557,424,000 <i>(Note 1)</i>	69.68%
	B&A Success	Beneficial owner	100 shares of US\$1.00 each	100%
Dr. Miu Yin Shun Andrew (“Dr. Miu”)	The Company	Interest of spouse	557,424,000 <i>(Note 2)</i>	69.68%
Mr. Chiu Man Wai (“Mr. Chiu”)	The Company	Interest in a controlled corporation	24,718,223 <i>(Note 3)</i>	3.09%
	Infinite Crystal Limited	Beneficial owner	900 shares of US\$1.00 each	100%

#### Notes:

1. The Shares are registered in the name of B&A Success, the entire issued share capital of which is legally and beneficially owned by Ms. Wong. Under the SFO, Ms. Wong is deemed to be interested in the same number of Shares held by B&A Success.
2. Dr. Miu is the spouse of Ms. Wong. Under the SFO, Dr. Miu is deemed to be interested in the same number of Shares deemed to be held by Ms. Wong.
3. The Shares are registered in the name of Infinite Crystal Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Chiu. Under the SFO, Mr. Chiu is deemed to be interested in the same number of Shares held by Infinite Crystal Limited.

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES OF THE COMPANY**

As at 31 December 2018, so far as the Directors are aware, other than the Directors or chief executive of the Company whose interests are disclosed under the paragraph headed "Directors' and chief executive's interest and short positions in shares, underlying shares or debentures of the Company or any associated corporation" above, the following persons had an interest or short position in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, were interested in 5.0% or more of the issued voting shares of any member of the Group:

### **Long position in the Shares**

<b>Name of shareholders</b>	<b>Nature of interest</b>	<b>Total number of Shares</b>	<b>Approximate percentage of shareholding</b>
B&A Success	Beneficial owner	557,424,000	69.68%

Saved as disclosed above and so far as is known to the Directors, the Directors were not aware of any other persons other than the Directors or chief executive of the Company who held an interest or short positions in the shares and underlying shares of the Company as at 31 December 2018 which required to be recorded pursuant to section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme (the "Share Option Scheme") on 1 March 2018. Details of the Share Option Scheme are set out in Appendix IV of the Prospectus.

For the nine months ended 31 December 2018, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme as at 31 December 2018.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2018.

## **DIRECTORS' SECURITIES TRADING TRANSACTIONS**

The Group has adopted a code of conduct set out in the “required standard of dealings” in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have been complying with the required standard of dealings and the related code of conduct regarding Directors' securities transactions during the nine months ended 31 December 2018.

As far as the Group is aware, the Directors and employees of the Group have not breached the required standard of dealings and the code of conduct.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

None of the Directors and directors of the Company's subsidiaries, or any of their respective associates, as defined in the GEM Listing Rules, had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group (other than being a director of the Company and/or its subsidiaries and their respective associates) during the nine months ended 31 December 2018.

## **DEED OF NON-COMPETITION**

Ms. Wong and B&A Success (collectively the “Controlling Shareholders”) have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 1 March 2018. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the Controlling Shareholders during the nine months ended 31 December 2018.

## **CORPORATE GOVERNANCE PRACTICE**

The Group has adopted the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules. During the nine months ended 31 December 2018, the Group has complied with all the code provisions of the CG Code, except for the deviation stipulated below.

### **Chairman and Chief Executive Officer**

According to the code provision A.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

For the nine months ended 31 December 2018, the roles of chairman of the Board were performed by the chief executive officer, Ms. Wong. As the chairman of the Board, Ms. Wong is responsible for the formulating, planning and directing the Group's overall strategy. Ms. Wong works with other executive Director in executing the business development plan, operation and day-to-day management of the Group and seeks for Board approval for any significant decisions and transactions.

Although Ms. Wong performs both roles, the Board has conducted an assessment and believed that the independence, effectiveness and functionality of the Board and the Group's operations has been and will be highly maintained together with independent check and balance measures in place as the Board has sufficient number of Directors who have diversified background and expertise.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by the compliance adviser of the Company, Guotai Junan Capital Limited, save for the compliance adviser agreement dated 19 September 2017 entered into between the Company and Guotai Junan Capital Limited, none of Guotai Junan Capital Limited, its directors, employees and close associates had any interest in the securities of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 December 2018.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 1 March 2018 with written terms of reference in compliance with the GEM Listing Rules which are available on the websites of the GEM and the Company. The Audit Committee currently consists of two independent non-executive Directors, namely Mr. Wong Lung Wo James and Mr. Chan Ping Keung, and one non-executive Director, namely Dr. Miu Yin Shun Andrew. Mr. Wong Lung Wo James has the appropriate accounting and financial related management expertise and serves as the chairman of the Audit Committee.

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2018, and is of the opinion that such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By order of the Board  
**Grand Brilliance Group Holdings Limited**  
**Wong Bik Kwan Bikie**  
*Chairman and Chief Executive Officer*

Hong Kong, 1 February 2019

*As at the date of this announcement, the executive Directors are Ms. Wong Bik Kwan Bikie and Mr. Chan Chun Sing; the non-executive Directors are Dr. Miu Yin Shun Andrew and Mr. Chiu Man Wai; and the independent non-executive Directors are Mr. Ng Leung Sing SBS, JP, Mr. Wong Lung Wo James and Mr. Chan Ping Keung.*

*This announcement will remain on the ‘Latest Company Announcements’ page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least seven days from the date of its publication and the website of the Company ([www.grandbrilliancegroup.com](http://www.grandbrilliancegroup.com)).*