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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 2021

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.

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This announcement, for which the directors (the “Directors”) of Grand Brilliance Group Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “We”) 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 2021, together with the comparative figures for the corresponding period in 2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three months and nine months ended 31 December 2021

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	20,344	15,100	51,699	45,745
Cost of revenue		(10,308)	(6,941)	(24,455)	(20,576)
Gross profit		10,036	8,159	27,244	25,169
Other income		–	74	18	1,995
Other gains or losses		(83)	29	(208)	–
Distribution and selling expenses		(367)	(247)	(863)	(691)
Administrative and other operating expenses		(6,751)	(5,461)	(19,592)	(17,038)
Finance costs	5	(41)	(32)	(106)	(70)
Profit before income tax	6	2,794	2,522	6,493	9,365
Income tax expense	7	(686)	(487)	(1,334)	(1,636)
Profit and total comprehensive income for the period attributable to owners of the Company		2,108	2,035	5,159	7,729
Earnings per share attributable to owners of the Company		HK cent	HK cent	HK cent	HK cent
Basic and diluted earnings per share	9	0.26	0.25	0.64	0.97

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2020 (audited)	8,000	52,499	1,500	813	25,670	88,482
Profit and total comprehensive income for the period	–	–	–	–	7,729	7,729
Recognition of equity-settled share-based payment	–	–	–	162	–	162
Lapse of share options	–	–	–	(18)	18	–
Dividend declared (<i>Note 8</i>)	–	–	–	–	(3,500)	(3,500)
At 31 December 2020 (unaudited)	<u>8,000</u>	<u>52,499</u>	<u>1,500</u>	<u>957</u>	<u>29,917</u>	<u>92,873</u>
At 1 April 2021 (audited)	8,000	52,499	1,500	1,006	30,047	93,052
Profit and total comprehensive income for the period	–	–	–	–	5,159	5,159
Recognition of equity-settled share-based payment	–	–	–	9	–	9
Dividend declared (<i>Note 8</i>)	–	–	–	–	(3,600)	(3,600)
At 31 December 2021 (unaudited)	<u>8,000</u>	<u>52,499</u>	<u>1,500</u>	<u>1,015</u>	<u>31,606</u>	<u>94,620</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

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. 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.

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 2021.

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 adopted in preparing the unaudited condensed consolidated results for the nine months ended 31 December 2021 are consistent with those adopted in the audited financial statements for the year ended 31 March 2021, except for a number of amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are effective for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the Group’s results and financial position for the current or prior periods have been prepared or presented.

The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective.

The condensed consolidated financial statements for the nine months ended 31 December 2021 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) Disaggregation of revenue from contracts with customers

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Timing of revenue recognition				
Over time	275	334	1,103	1,754
At a point in time	20,030	14,766	50,445	43,991
	<u>20,305</u>	<u>15,100</u>	<u>51,548</u>	<u>45,745</u>

(d) Information about major customers

For the nine months ended 31 December 2021, revenue from one customer amounted to HK\$6,498,000 which represented more than 10% of the total revenue of the Group.

For the nine months ended 31 December 2020, revenue from one customer amounted to HK\$5,459,000 which represented more than 10% 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	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Revenue from Contracts with customer:				
Sales of medical devices and products				
Medical consumables	13,174	12,551	36,653	36,365
Medical equipment	5,860	1,491	11,832	6,046
Medical instruments	996	724	1,960	1,580
	20,030	14,766	50,445	43,991
Rendering of maintenance services	275	275	1,103	1,577
	20,305	15,041	51,548	45,568
Revenue from other source:				
Rental income from leasing medical devices	39	59	151	177
	20,344	15,100	51,699	45,745

5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Interest on lease liabilities	41	32	106	70
	41	32	106	70

6. PROFIT BEFORE INCOME TAX

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

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of inventories recognised as expense [#]				
— Carrying amount of inventories consumed	9,739	6,077	23,190	18,129
— Allowance for inventories	72	492	(5)	(24)
— Write-off of inventories	—	—	—	1,340
	<u>9,811</u>	<u>6,569</u>	<u>23,185</u>	<u>19,445</u>
Change in fair value of financial assets measured at fair value through profits or loss	26	—	11	—
Depreciation of property, plant and equipment*	117	183	498	663
Depreciation of right-of-use assets	973	613	2,663	1,749
Employee costs (including directors' emoluments)				
— Salaries, allowances and other benefits	4,064	3,217	11,652	9,695
— Equity-settled share-based payment expenses	—	53	9	162
— Contributions to defined contribution retirement plan	131	110	391	341
	<u>4,195</u>	<u>3,380</u>	<u>12,052</u>	<u>10,198</u>
Bank interest income	—	(28)	(11)	(346)
Exchange difference, net	35	(18)	78	24
Research and development expenditure [^]	828	134	1,197	415
Provision/(reversal) of loss allowance for trade receivables	22	(11)	40	(24)

[#] Included in cost of revenue

^{*} Included in administrative and other operating expenses

[^] Included in research and development expenditure are staff costs amounted to approximately HK\$1,150,000 for the nine months ended 31 December 2021 (nine months ended 31 December 2020: approximately HK\$363,000) which have been included in the employee costs above.

7. 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	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Current tax for the period				
— Hong Kong Profits Tax	<u>712</u>	<u>513</u>	<u>1,317</u>	<u>1,681</u>
Over-provision in respect of prior years	<u>(10)</u>	<u>—</u>	<u>(10)</u>	<u>—</u>
	702	513	1,307	1,681
Deferred tax	<u>(16)</u>	<u>(26)</u>	<u>27</u>	<u>(45)</u>
	<u>686</u>	<u>487</u>	<u>1,334</u>	<u>1,636</u>

The Group is subject to Hong Kong Profits Tax under the two-tiered profits tax rate regime. For the nine months ended 31 December 2021 and 2020, the first HK\$2 million of the estimated assessable profits of qualifying corporation in the Group will be taxed at 8.25%, and the estimated assessable profits above HK\$2 million will be taxed at 16.5%. The profits of group entity not qualifying for the two-tiered profits tax regime will continue to be taxed at a flat rate of 16.5% on their estimated assessable profits.

8. DIVIDENDS

The Board resolved not to declare the payment of an interim dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interim dividend for the year ended 31 March 2021 of HK0.45 cent per share (2020: HK0.4375 cent per share)	<u>—</u>	<u>—</u>	<u>3,600</u>	<u>3,500</u>

Note:

An interim dividend of HK0.45 cent per ordinary share for the year ended 31 March 2021 was declared by the Board and was paid on Monday, 16 August 2021 to the shareholders of the Company whose name appear on the register of members on Friday, 9 July 2021.

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted earnings per share is based on the following data:

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings				
Profit for the period attributable to owners of the Company	<u>2,108</u>	<u>2,035</u>	<u>5,159</u>	<u>7,729</u>
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue				
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

For the purpose of calculating diluted earnings per share for the nine months ended 31 December 2021 and 2020, no adjustment has been made as the exercise of the outstanding share options has an antidilutive effect on the basic earnings per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are an established medical device distributor and one-stop medical device solutions provider with over 20 years of experience in the medical device market in Hong Kong.

For the nine months ended 31 December 2021, the Group continued to implement our business strategy to solidify our position as a major medical device distributor in Hong Kong. We have recruited talented personnel in various business units in order to support and sustain the growth of our business and expand our business. The Group achieved its business growth through diversifying the product portfolio.

During the period under review, Hong Kong's economy was under the influence of the continued outbreaking of COVID-19, the number of visitor to Hong Kong had greatly reduced. The spending plans of our customers have been disrupted. The above may raise challenges on our customers' business. The Group will further expand the product portfolio and enhance the customer services to enhance our one-stop medical device solutions services.

We continue to be optimistic on the outlook of the medical and healthcare industry, as more demand for resources and solutions by the healthcare sector in Hong Kong and the increase of aging population and rising healthcare awareness of the public in Hong Kong together with our automation solution to eliminate the medical manpower shortage crisis in Hong Kong. The Group is looking for suitable investment opportunities to diversify business and bring better investment return to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 13.0%, from approximately HK\$45.7 million for the nine months ended 31 December 2020 to approximately HK\$51.7 million for the nine months ended 31 December 2021. The increase was primarily attributable to the increase in revenue generated from medical equipment.

Gross profit and gross profit margin

The Group recorded gross profit of approximately HK\$27.2 million for the nine months ended 31 December 2021, representing an increase by approximately HK\$2.0 million or 8.2%, as compared to approximately HK\$25.2 million for the nine months ended 31 December 2020.

Gross profit margin decreased from approximately 55.0% for the nine months ended 31 December 2020 to approximately 52.7% for the nine months ended 31 December 2021. The decrease in gross profit margin was mainly due to the increase in sales of medical equipment, which had a comparatively lower gross profit margin.

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, staff costs, travelling and entertainment expenses and other miscellaneous expenses.

Administrative and other operating expenses for the nine months ended 31 December 2021 amounted to approximately HK\$19.6 million, representing an increase by approximately HK\$2.6 million or 15.0%, as compared to approximately HK\$17.0 million for the nine months ended 31 December 2020. The increase was primarily attributable to the increase of workforce of the Group for the nine months ended 31 December 2021.

Income tax expenses

Income tax expenses for the nine months ended 31 December 2021 amounted to approximately HK\$1.3 million (nine months ended 31 December 2020: approximately HK\$1.6 million).

Profit for the period

The Group's profit decreased by approximately HK\$2.5 million from approximately HK\$7.7 million for the nine months ended 31 December 2020 to approximately HK\$5.2 million for the nine months ended 31 December 2021. The decrease was primarily attributable to (i) increase of workforce and related staff costs during the period; and (ii) one-off employment support scheme government grant for the nine months ended 31 December 2020.

DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

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 2021, 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 (the "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 the Company and associated corporations

Name of Director/ chief executive	Nature of Interest	Number of shares	Number of underlying shares	Aggregate Interest	Approximate percentage of shareholding
Ms. Wong Bik Kwan Bikie ("Ms. Wong") (Note 1)	Interest in a controlled corporation	557,424,000	–		
	Beneficial owner	–	7,980,000		
		557,424,000	7,980,000	565,404,000	70.68%
Dr. Miu Yin Shun Andrew ("Dr. Miu") (Note 2)	Interest of spouse	557,424,000	7,980,000	565,404,000	70.68%
Mr. Chiu Man Wai ("Mr. Chiu") (Note 3)	Interest in a controlled corporation	20,224,001	–	20,224,001	2.53%
Mr. Chow Ming Po Aaron	Beneficial owner	7,810,000	–	7,810,000	0.98%

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 2021, 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 2021, 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

Name of shareholders	Nature of Interest	Total number of shares	Approximate percentage of shareholding
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 2021 which required to be recorded pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (“Share Option Scheme”) on 1 March 2018 to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group and continuing efforts to promote the interest of the Group. The terms of the Share Option Scheme are in accordance with Chapter 23 of the GEM Listing Rules.

Details of Share Options and their movements during the nine months ended 31 December 2021 are as follows:

	Date of Grant	Exercise price per Share HK\$	Number of Shares issuable under the options				Exercise period	
			as at 01/04/2021	granted during the period	exercised during the period	lapsed during the period		as at 31/12/2021
Director								
Ms. Wong	18/04/2019	0.12	7,980,000	-	-	-	7,980,000	<i>Note 1</i>
Employees of the Group								
In aggregate	18/04/2019	0.12	<u>13,480,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,480,000</u>	<i>Note 1</i>
			<u>21,460,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,460,000</u>	

Notes:

- (i) up to 40% of the Share Options are exercisable on or after 18 April 2019;
 - (ii) up to 70% of the Share Options are exercisable on or after 18 April 2020;
 - (iii) all the remaining Share Options are exercisable on or after 18 April 2021;
- and in each case, not later than 17 April 2024.

Save as disclosed above, no options were granted, exercised, forfeited, cancelled or lapsed during the nine months ended 31 December 2021.

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 2021.

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 2021.

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 2021.

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 2021, 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 2021, 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 and always 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.

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. Chow Ming Po Aaron, 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 2021, 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, 28 January 2022

As at the date of this announcement, the executive Director is Ms. Wong Bik Kwan Bikie; 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. Chow Ming Po Aaron.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least seven days from the date of its publication and the website of the Company (www.grandbrilliancegroup.com).