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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 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 that 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.

FINANCIAL HIGHLIGHTS

- For the year ended 31 March 2018, the Group's revenue amounted to approximately HK$53.7 million (2017: approximately HK$51.7 million), representing an increase of approximately 4.0%.

- For the year ended 31 March 2018, the Group's gross profit amounted to approximately HK$29.9 million (2017: approximately HK$26.0 million), representing an increase of approximately 15.0%.

- For the year ended 31 March 2018, the Group's loss for the year amounted to approximately HK$3.1 million (2017: profit for the year of approximately HK$11.8 million), representing a decrease of approximately 126.1%. Excluding the non-recurring listing expenses of approximately HK$15.2 million for the year ended 31 March 2018, the Group would have recorded profit for the year of approximately HK$12.1 million, representing an increase of approximately 2.5%.

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

ANNUAL RESULTS

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	*5*	**53,703**	51,657
Cost of revenue		**(23,775)**	(25,631)
Gross profit		**29,928**	26,026
Other income		**55**	74
Other gains or losses		**235**	162
Distribution and selling expenses		**(841)**	(795)
Administrative and other operating expenses		**(14,651)**	(11,277)
Listing expenses		**(15,173)**	–
(Loss)/Profit before income tax	*6*	**(447)**	14,190
Income tax expense	*7*	**(2,633)**	(2,388)
(Loss)/Profit for the year attributable to owners of the Company		**(3,080)**	11,802
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
— Changes in fair value		**(20)**	225
Other comprehensive income for the year		**(20)**	225
Total comprehensive income attributable to owners of the Company		**(3,100)**	12,027
		HK cent	*HK cent*
(Loss)/Earnings per share attributable to owners of the Company	*9*		
Basic and diluted (loss)/earnings per share		**(0.49)**	1.87

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**1,490**	307
Other asset		**2,690**	2,690
Available-for-sale financial asset		**750**	770
Long-term deposit		**417**	–
Deferred tax assets		**–**	180
		5,347	3,947
Current assets			
Inventories		**14,499**	13,718
Trade and other receivables, deposits and prepayments	*10*	**7,675**	7,689
Amount due from a director		**–**	169
Tax recoverable		**57**	19
Cash and bank balances		**61,067**	9,776
		83,298	31,371
Current liabilities			
Trade and other payables	*11*	**13,818**	3,915
Deferred revenue		**204**	66
Amount due to a director		**–**	80
Tax payable		**–**	25
		14,022	4,086
Net current assets		**69,276**	27,285
Total assets less current liabilities		**74,623**	31,232
Non-current liabilities			
Deferred tax liabilities		**32**	–
Net assets		**74,591**	31,232
CAPITAL AND RESERVES			
Share capital	*12*	**8,000**	1,500
Reserves		**66,591**	29,732
Total equity		**74,591**	31,232

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL INFORMATION

Grand Brilliance Group Holdings Limited (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 Stock Exchange of Hong Kong Limited (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. The Company and its subsidiaries (collectively referred hereafter as the "Group") 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 "Business").

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 financial statements for the year ended 31 March 2018 were approved and authorised for issue by the Directors on 25 June 2018.

2. REORGANISATION AND BASIS OF PRESENTATION

Prior to the incorporation of the Company and the Group's reorganisation, the Business was carried on by Solar-Med Limited ("Solar-Med"), Sonne International Company Limited ("Sonne International"), Sonne Technology International Limited ("Sonne Technology") and Sonne (UK) Limited ("Sonne UK") (together the "Operating Companies") which were under common controlled by Ms. Wong Bik Kwan Bikie ("Ms. Wong").

In preparation for the Listing, the companies now comprising the Group underwent a group reorganisation (the "Reorganisation") to rationalise the corporate structure. The steps under the Reorganisation are described below:

(a) The Company was incorporated in the Cayman Islands on 5 July 2017 with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. On the same day, one nil-paid share was allotted and issued to the initial subscriber, which was subsequently transferred to Ms. Wong on the same day.

(b) A&A Brilliance Limited ("A&A Brilliance") was incorporated in the BVI on 4 July 2017 and is authorised to issue a maximum of 50,000 shares of a single class with a par value of United States dollars ("US$") 1 each. On 5 July 2017, A&A Brilliance allotted 100 fully paid shares to the Company, pursuant to which A&A Brilliance become a direct wholly-owned subsidiary of the Company.

(c) On 24 July 2017, the Company through A&A Brilliance, acquired one share of Sonne UK (representing its entire share capital) from Ms. Wong and in consideration of the acquisition, the Company allotted and issued 220 fully paid shares to Ms. Wong. Upon completion of the acquisition, Sonne UK became an indirect wholly-owned subsidiary of the Company.

(d) On 24 July 2017, the Company, through A&A Brilliance, acquired (i) 1,499,999 shares of Solar-Med from Ms. Wong, in consideration of the acquisition, the Company allotted and issued 220 fully paid shares to Ms. Wong and credited as fully paid the nil-paid subscriber share held by Ms. Wong; and (ii) the remaining one issued share of Solar-Med from Ms. Ching Kit Fong ("Ms. Ching"), the mother of Ms. Wong, in consideration of the acquisition and under the direction of Ms. Ching, the Company allotted and issued one fully paid share to Ms. Wong.

    Upon completion of the acquisitions, Solar-Med became an indirect wholly-owned subsidiary of the Company.

(e) On 24 July 2017, the Company through A&A Brilliance, acquired one share of Sonne International (representing its entire share capital) from Ms. Wong and in consideration of the acquisition, the Company allotted and issued 220 fully paid shares to Ms. Wong. The aforesaid one share of Sonne International was held in trust by Mr. Lee Chun Sing for Ms. Wong before the Reorganisation. Upon completion of the acquisition, Sonne International became an indirect wholly-owned subsidiary of the Company.

(f) On 24 July 2017, the Company through A&A Brilliance, acquired one share of Sonne Technology (representing its entire share capital) from Ms. Wong and in consideration of the acquisition, the Company allotted and issued 220 fully paid shares to Ms. Wong. Upon completion of the acquisition, Sonne Technology became an indirect wholly-owned subsidiary of the Company.

(g) On 31 July 2017, the Company as issuer, Infinite Crystal Limited ("Infinite Crystal") as subscriber and Ms. Wong as guarantor entered into a subscription agreement pursuant to which Infinite Crystal agreed to subscribe for 64 fully paid shares of the Company at consideration of HK$7,632,000. Infinite Crystal fully settled the consideration of HK$7,632,000 on 31 July 2017 and the Company allotted and issued 64 fully paid shares to Infinite Crystal on 1 August 2017. Infinite Crystal is a company incorporated in the BVI and is owned as to approximately 61.11% by Mr. Chiu Man Wai ("Mr. Chiu"), non-executive director of the Company and as to approximately 38.89% by independent third parties.

(h) On 1 August 2017, the Company as issuer, Akatsuki Corp. ("Akatsuki") as subscriber and Ms. Wong as guarantor entered into a subscription agreement pursuant to which Akatsuki agreed to subscribe for 54 fully paid shares of the Company at consideration of HK$6,500,000. On 1 August 2017, Akatsuki fully settled the consideration of HK$6,500,000 and the Company allotted and issued 54 fully paid shares to Akatsuki.

    Upon completion of the above subscriptions, the Company is owned as to 88.2% by Ms. Wong, 6.4% by Infinite Crystal and 5.4% by Akatsuki.

(i) On 28 February 2018, B&A Success, a company incorporated in the BVI and wholly-owned by Ms. Wong, acquired the issued share capital of the Company held by Ms. Wong, in consideration of which B&A Success allotted and issued 99 fully paid shares to Ms. Wong. Upon completion of the acquisition, the Company was owned as to 88.2% by B&A Success, 6.4% by Infinite Crystal and 5.4% by Akatsuki.

Upon completion of the steps (a) to (h) of the Reorganisation, the Company became the holding company of the subsidiaries now comprising the Group.

Pursuant to the Reorganisation as described above, the Company through its wholly-owned subsidiary, A&A Brilliance acquired the entire issued capital of the Operating Companies from Ms. Wong by way of issuing its shares to B&A Success which is owned by Ms. Wong (the "Share Swap").

In effect, the Operating Companies are restructured so that A&A Brilliance becomes the immediate holding company of the Operating Companies after the Reorganisation. As the Operating Companies were previously under the common control of Ms. Wong, the combination of the Operating Companies to form a new reporting entity under a new parent entity is accounted for as business combination under common control using the principles of merger accounting in accordance with Accounting Guideline 5 *Merger Accounting for Common Control Combinations* issued by the HKICPA.

As to the Share Swap, it does not result in any change of economic substance and does not form a business combination. Accordingly, the Share Swap is accounted for as a continuation of A&A Brilliance and the Operating Companies and the financial information of the Company was combined with that of A&A Brilliance and the Operating Companies using the predecessor carrying amounts as if the group structure under the Reorganisation had been in existence throughout the current year and prior years by adopting merger basis of accounting.

The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group include the financial performance and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the current year and in prior years, or since their respective dates of incorporation, whichever was shorter. The consolidated statement of financial position of the Group as at 31 March 2017 has been prepared to present the financial position of the companies now comprising the Group as if the current group structure had been in existence as at that date.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 April 2017

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

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the notes to the consolidated statement of cash flows in the annual report.

Amendments to HKAS 12 — Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

Annual Improvements to HKFRSs 2014–2016 Cycle — Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to HKFRS 12 has no impact on these financial statements as the Group did not has interests in other entities classified as held for sale or discontinued operations at the end of the reporting period.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards[1]
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions[1]
Amendments to HKFRS 1	First time adoption of HKFRS[1]
HKFRS 9	Financial Instruments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[3]
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after 1 January 2021
4 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted

The Directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The Directors of the Company are currently assessing the possible impact of these new or revised standards on the Group's results and financial position in the first year of application. Those new or revised HKFRSs that are expected to have a material impact on the Group's financial statements are set out below.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

HKFRS 9 includes a new expected loss impairment model (i.e. expected credit loss model) for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Group has assessed that its financial assets currently measured at amortised cost will continue with their respective classification and measurements upon the adoption of HKFRS 9. However, the Group's available-for-sale financial asset will be measured at fair value through profit or loss starting from the annual period beginning on 1 April 2018. Also, the fair value gain of HK$205,000 will be transferred from the available-for-sale financial assets revaluation reserve to retained earnings as at 1 April 2018. Since both of the available-for-sale financial assets under HKAS 39 and the financial assets stated at fair value through profit or loss under HKFRS 9 are measured at fair value, the application of HKFRS 9 will not result in the change in the carrying amount of the financial asset (i.e. the club debenture) in the consolidated financial position of the Group.

In general, the expected credit loss model may result in early recognition of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, the Directors of the Company do not anticipate that the application of HKFRS 9 will have a significant impact on financial results of the Group.

HKFRS 9 also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of HKFRS 9.

HKFRS 15 Revenue from Contracts with Customers and related amendment

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

Under HKFRS 15, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

HKFRS 15 is effective for annual periods beginning on or after 1 January 2018. The Group performed a preliminary assessment of HKFRS 15 and expects to adopt HKFRS 15 on 1 April 2018. The impact to the Group includes more comprehensive disclosure as required by the new standard. However, the Group does not expect that the adoption of HKFRS 15 will have a significant impact on the financial statements in the period of initial application.

HKFRS 16 Leases

The new standard specifies how an entity to recognise, measure, present and disclose leases.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of the lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, 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 lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments.

Lessors continue to classify leases as operating or finance with HKFRS 16's approach to lessor accounting substantially unchanged from its predecessor HKAS 17.

Total operating lease commitment of the Group in respect of leased premises and warehouses as at 31 March 2018 amounted to HK$4,063,000. The Group does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that certain portion of these lease commitments will be required to be recognised in the statement of financial position as right-of-use assets and lease liabilities. In addition, more quantitative and qualitative disclosures about the leases will be made following the requirements of HKFRS 16.

Except for the above, other new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

4. 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 year ended 31 March 2018, no revenue from a single customer accounted for 10% or above of the total revenue of the Group. For the year ended 31 March 2017, revenue from one customer amounted to HK$9,077,000 which represented more than 10% of the Group's revenue.

5. 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:

	2018	2017
	HK$'000	*HK$'000*
Sales of medical devices and products		
Medical consumables	**38,388**	33,578
Medical equipment	**11,188**	13,843
Medical instruments	**2,075**	2,454
Others	**–**	74
	51,651	49,949
Rendering of maintenance services	**1,900**	1,650
Rental income from leasing medical devices	**152**	58
	53,703	51,657

6. (LOSS)/PROFIT BEFORE INCOME TAX

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

	2018 HK$'000	2017 HK$'000
Auditor's remuneration	**550**	230
Cost of inventories recognised as expense#		
— Carrying amount of inventories consumed	**21,940**	23,446
— Allowance for inventories	**226**	380
— Write-off of inventories	**158**	220
	22,324	24,046
Depreciation of property, plant and equipment*	**400**	453
Employee costs (including Directors' emoluments)		
— Salaries, allowances and other benefits	**7,391**	6,675
— Contributions to defined contribution retirement plan	**278**	257
	7,669	6,932
Bank interest income	**(3)**	–
Exchange gains, net	**(163)**	(125)
Operating lease charges in respect of buildings	**2,360**	2,105
Research and development expenditure^	**499**	541

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$468,000 for the year (2017: HK$478,000) which have been included in the employee costs above.

7. INCOME TAX EXPENSE

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

	2018 HK$'000	2017 HK$'000
Current tax for the year		
— Hong Kong Profits Tax	**2,395**	2,432
Under-provision in respect of prior years	**26**	–
	2,421	2,432
Deferred tax	**212**	(44)
	2,633	2,388

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) on the estimated assessable profits for the year.

8. DIVIDENDS

	2018	2017
	HK$'000	*HK$'000*
Interim dividends *(note (a))*	**2,840**	12,460
Special dividend *(note (b))*	**11,200**	–
	14,040	12,460

Notes:

(a) The interim dividends for the year ended 31 March 2018 amounting to HK$2,840,000 (2017: HK$12,460,000) represented interim dividends declared by a subsidiary of the Company to their then shareholders.

(b) On 17 July 2017, a special dividend of HK$11,200,000 was declared by a subsidiary of the Company to their then shareholders, and was fully settled during the year.

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

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

	2018	2017
	HK$'000	*HK$'000*
(Loss)/Earnings		
(Loss)/Profit for the year attributable to owners of the Company	**(3,080)**	11,802
	'000	*'000*
Weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue during the year	**633,381**	632,000

The weighted average number of ordinary shares used for the purposes of calculating the basic earnings per share for the year ended 31 March 2017 of 632,000,000 represents the number of shares of the Company in issue immediately after the completion of the capitalisation issue as further described in note 12(iv), as if these shares had been issued throughout the year.

The weighted average number of ordinary shares used for the purposes of calculating the basic loss per share for the year ended 31 March 2018 of approximately 633,381,000 shares includes the weighted average number of shares issued pursuant to the share offer *(note 12(iv))* of approximately 1,381,000 shares, in addition to the aforementioned 632,000,000 shares in issue immediately after the capitalisation issue.

Diluted loss/earnings per share are same as the basic loss/earnings per share as there are no dilutive potential ordinary shares in existence during the year or in prior year.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**8,349**	7,558
Less: Provision for impairment	**(1,418)**	(1,418)
Trade receivables, net *(note)*	**6,931**	6,140
Other receivables	**35**	11
Deposits and prepayments	**709**	1,538
	7,675	7,689

Note:

The credit period granted to trade debtors ranged from 0 to 30 days.

There were no movements in the allowance for impairment of trade receivables during the current and prior years.

Trade receivables as at 31 March 2018 amounting to HK$1,418,000 (2017: HK$1,418,000) were impaired and full provision has been made for the balances.

The ageing analysis of the trade receivables (net), based on invoice date, as of the end of the reporting period is as follows:

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**4,283**	3,178
31–60 days	**1,355**	1,587
61–90 days	**678**	810
Over 90 days	**615**	565
	6,931	6,140

11. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**3,333**	2,987
Accruals and other payables	**10,284**	854
Deposits received	**201**	74
	13,818	3,915

The credit period granted by suppliers ranged from 0 to 90 days.

The ageing analysis of the trade payables, based on invoice date, as of the end of the reporting period is as follows:

	2018	2017
	HK$'000	*HK$'000*
0–30 days	**2,619**	1,678
31–60 days	**257**	396
61–90 days	**–**	454
Over 90 days	**457**	459
	3,333	2,987

12. SHARE CAPITAL

(a) The share capital balance as at 31 March 2018 represented the issued share capital of the Company. Details of the movements in the authorised and issued and fully paid share capital of the Company during the period from 5 July 2017 (date of incorporation) to 31 March 2018 are summarised as follows:

Ordinary shares	**Par value**	**Number of shares**	**Amount**
	HK$		*HK$'000*
Authorised:			
Upon incorporation *(note (i))*	0.01	38,000,000	380
Increase in authorised share capital *(note (i))*	0.01	7,962,000,000	79,620
At 31 March 2018	0.01	8,000,000,000	80,000
Issued and fully paid:			
Issue of shares upon incorporation *(note (i))*	0.01	1	–
Issue of shares for acquisition of subsidiaries *(note (ii))*	0.01	881	–
Issue of shares to Infinite Crystal and Akatsuki *(note (iii))*	0.01	118	–
Issue of shares by capitalisation issue *(note (iv))*	0.01	631,999,000	6,320
Issue of shares under share offers *(note (iv))*	0.01	168,000,000	1,680
At 31 March 2018		800,000,000	8,000

Notes:

(i) The Company was incorporated on 5 July 2017 with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. Upon incorporation, one nil-paid subscriber share was allotted and issued to the initial subscriber, which was subsequently transferred to Ms. Wong on the same day.

Pursuant to the resolution passed by the shareholders of the Company on 1 March 2018, the authorised share capital of the Company has been increased from HK$380,000 to HK$80,000,000 by the creation of an additional 7,962,000,000 shares of HK$0.01 each.

(ii) On 24 July 2017, the Company allotted and issued 881 shares in aggregate to Ms. Wong which were credited as fully paid and credited the one nil-paid subscriber share held by Ms. Wong as fully paid as consideration for transferring her equity interests in Solar-Med, Sonne International, Sonne Technology and Sonne UK and on the same date, at the direction of Ms. Ching, the Company allotted and issued one share to Ms. Wong which was credited as fully paid (included in those 881 issued and fully paid shares) as consideration for transferring Ms. Ching's equity interest in Solar-Med (Steps (c) to (f) in note 2).

(iii) On 1 August 2017, the Company allotted and issued 64 shares to Infinite Crystal and 54 shares to Akatsuki respectively at consideration of HK$14,132,000 in aggregate. Upon completion of the subscriptions, the Company is owned as to 88.2% by Ms. Wong, 6.4% by Infinite Crystal and 5.4% by Akatsuki (Steps (g) and (h) in note 2).

(iv) The Company's shares were listed on GEM of the Hong Kong Stock Exchange on 29 March 2018 and the issue of 168,000,000 new shares by the Company becomes unconditional. In connection to this, (i) the Company issued a total of 168,000,000 ordinary shares at HK$0.335 per share for subscription (the "Share Offer"); and (ii) the Company issued a total of 631,999,000 ordinary shares by way of capitalising an amount of HK$6,319,990 from the share premium account of the Company (the "Capitalisation Issue") arising from the Share Offer. The Company's total number of issued shares upon completion of the Share Offer and the Capitalisation issue was increased to 800,000,000 ordinary shares.

Among the gross proceeds from the Share Offer of HK$56,280,000, HK$1,680,000 representing the aggregate par value of share issued was credited to the Company's share capital whereas the remaining amount of HK$54,600,000 was credited to share premium account.

The share issuance expenses, which amounted to approximately HK$9,913,000 were deducted from the share premium account.

(b) The share capital balance as at 31 March 2017 represented the issued share capital of Solar-Med, Sonne International, Sonne Technology and Sonne UK as at that date.

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 year, the Group further expanded the product portfolio with a pharmacy automation system and an automated logistics system for transporting medication, laboratory specimens and necessities for patients in hospitals through entering into a distribution agreement with an international automation solutions provider.

The shares of the Company (the "Shares") were successfully listed on GEM of the Hong Kong Stock Exchange on 29 March 2018 (the "Listing"). The Directors believe that the Listing will assist the implementation of the Group's business strategies as stated in the prospectus of the Company dated 19 March 2018 (the "Prospectus"). The net proceeds from the Listing will provide financial resources to the Group to pursue business opportunities and implement such business strategies, which will further strengthen the Group's market position and expand the market share in the medical device market in Hong Kong. The public listing status will also enhance the Group's corporate profile and assist in reinforcing its brand awareness and market reputation and enhance the competitiveness and credibility with customers, suppliers and potential investors.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 4.0%, from approximately HK$51.7 million for the year ended 31 March 2017 to approximately HK$53.7 million for the year ended 31 March 2018. The increase was primarily attributable to the increase in revenue generated from the sales of medical consumables, resulting from the satisfactory growth of sales of ligation clips, which was however partially offset by the decrease in revenue generated from medical equipment.

Gross profit and gross profit margin

The Group recorded gross profit of approximately HK$29.9 million for the year ended 31 March 2018, representing an increase by approximately HK$3.9 million or 15.0%, as compared to approximately HK$26.0 million for the year ended 31 March 2017. Gross profit margin increased from approximately 50.4% for the year ended 31 March 2017 to 55.7% for the year ended 31 March 2018. The increase in gross profit and gross profit margin was mainly due to the increase in sales of medical consumables, which had a comparatively higher gross 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 year ended 31 March 2018 amounted to approximately HK$14.7 million, representing an increase by approximately HK$3.4 million or 29.9%, as compared to approximately HK$11.3 million for the year ended 31 March 2017.

The increase was primarily attributable to the increase in the (i) auditor's remuneration by approximately HK$0.3 million; (ii) staff costs, including Directors' remuneration, by approximately HK$0.7 million; (iii) legal and professional fee by approximately HK$0.6 million; (iv) rental expenses by approximately HK$0.4 million; (v) travelling and entertainment expenses by approximately HK$0.9 million; and (vi) other miscellaneous expenses by approximately HK$0.5 million.

Listing expenses

For the year ended 31 March 2018, the Group recognised non-recurring listing expenses of approximately HK$15.2 million in connection with the Listing. No such expenses were incurred for the year ended 31 March 2017.

Income tax expenses

Income tax expenses for the year ended 31 March 2018 amounted to approximately HK$2.6 million (2017: HK$2.4 million). During the year ended 31 March 2018, the Group incurred one-off listing expenses which are not deductible for taxation purpose.

(Loss)/profit for the year

During the year ended 31 March 2018, the Group recorded a loss of approximately HK$3.1 million, as compared to the profit of approximately HK$11.8 million for the year ended 31 March 2017. Such loss was mainly due to the non-recurring listing expenses of approximately HK$15.2 million as mentioned above. Excluding the non-recurring listing expenses, profit for the year ended 31 March 2018 would have been amounted to approximately HK$12.1 million, representing an increase of approximately 2.5% as compared to the year ended 31 March 2017.

DIVIDENDS

On 30 June 2017, an interim dividend of HK$2.8 million was declared by a subsidiary of the Company to the then shareholders.

On 17 July 2017, a special dividend of HK$11.2 million was declared by a subsidiary of the Company to the then shareholders.

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

LIQUIDITY AND FINANCIAL RESOURCES

Liquidity

As at 31 March 2018, current assets amounted to approximately HK$83.3 million (2017: approximately HK$31.4 million). Current liabilities were approximately HK$14.0 million (2017: approximately HK$4.1 million).

Financial Resources

As at 31 March 2018, the Group had total cash and bank balances of approximately HK$61.1 million (2017: approximately HK$9.8 million).

As at 31 March 2018, the Group had trade receivables of approximately HK$6.9 million (2017: approximately HK$6.1 million).

Gearing Ratio

The gearing ratio of the Group as at 31 March 2018 was nil (2017: 0.3%) as the Group had no material debt financing.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Company since the Listing. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2018, the Company's issued share capital was HK$8,000,000 and the number of issued ordinary shares was 800,000,000 of HK$0.01 each. Details of the Group's share capital are set out in note 12 to the consolidated financial statements in this announcement.

COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of its office premises and warehouses. As at 31 March 2018, the Group's operating lease commitment amounted to approximately HK$4.1 million (2017: approximately HK$0.5 million).

As at 31 March 2018, the Group did not have any significant capital commitments (2017: Nil).

SEGMENT INFORMATION

Segment information is disclosed in note 4 to the consolidated financial statements in this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Upon completion of the Reorganisation, the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" of the Prospectus.

Save as aforesaid, during the year ended 31 March 2018, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENTS

As at 31 March 2018, there was no significant investment held by the Group (2017: nil).

CONTINGENT LIABILITIES

As at 31 March 2018, the Group had no material contingent liabilities (2017: nil).

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with certain business transactions being settled in HK$, United States dollars ("US$") or Euro. As HK$ is pegged to US$, the Directors do not expect any significant movement in the US$/HK$ exchange rate. The Group monitors its foreign currency exposure closely and will consider undertake foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating result.

CHARGE OF GROUP'S ASSETS

As at 31 March 2018, the Group has pledged its bank deposits of approximately HK$3.0 million (2017: nil) to a bank for securing the banking facility of HK$3.0 million granted to the Group, so as to obtain the bank guarantees in favour of the customers of certain tender contracts.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group has a total of 23 employees (2017: 22 employees). Staff costs, including Directors' remuneration, of the Group were approximately HK$7.7 million for the year ended 31 March 2018 (2017: approximately HK$6.9 million). Remuneration is determined with reference to factors such as comparable market salaries and work performance, qualification and experience of individual employees. In addition to a basic salary, year-end discretionary bonuses are offered to employees with outstanding performance to attract and retain eligible employees to contribute to the Group.

USE OF PROCEEDS

The final offer price for the Listing was HK$0.335 per share, and the actual net proceeds from the Listing were approximately HK$31.2 million, after deducting the listing-related expenses of approximately HK$25.1 million (of which, approximately HK$15.2 million and HK$9.9 million are recognised in the consolidated statement of comprehensive income and the consolidated statement of changes in equity, respectively), compared to the estimated net proceeds of approximately HK$33.1 million as disclosed in the Prospectus. In light of the difference between the actual and estimated amount of the net proceeds, the Group has adjusted the use of net proceeds in the same manner as stated in the Prospectus:

	Adjusted use of actual net proceeds in the same manner as stated in the Prospectus up to 31 March 2020	**Actual utilised amounts as at 31 March 2018**	**Unutilised amount out of the planned amount as at 31 March 2018**
	HK$ million	*HK$ million*	*HK$ million*
Further penetrate the medical device market and enhance the market share	6.1	–	6.1
Expand the workforce	9.7	–	9.7
Selectively pursue opportunities for strategic acquisitions	7.7	–	7.7
Enhance the research and development and product development effort	1.3	–	1.3
Upgrade the information technology systems	2.5	–	2.5
Maximise the warehouse space, establish the showroom and upgrade the functionality of office space	2.1	–	2.1
General working capital	1.8	–	1.8
	31.2	–	31.2

From the Listing Date to 31 March 2018, the net proceeds from the Listing had not been utilised. The Company intends to continue to apply the net proceeds in accordance with the section headed "Future Plans and Use of Proceeds" of the Prospectus.

COMPARISON OF BUSINESS STRATEGIES AND ACTUAL BUSINESS PROGRESS

The Shares were listed on GEM of the Hong Kong Stock Exchange on 29 March 2018 shortly before the year ended 31 March 2018. The business strategies as disclosed in the Prospectus were prepared to a latest practicable date at 12 March 2018. The Directors confirm that between 29 March 2018 and 31 March 2018, there was no significant progress as to the business strategies prescribed in the Prospectus. The Directors had evaluated the Group's business strategies and considered that, as at the date of this announcement, no modification of the business strategies regarding the use of proceeds as described in the Prospectus was required.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Shares were listed on GEM on 29 March 2018. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities from the date of Listing to the date of this announcement.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining robust corporate governance.

The Board believes that high standard of corporate governance is essential for the Group to enhance corporate value and accountability, safeguard shareholders' interests, set forth business development direction, develop internal controls and policies, and enhance transparency.

The Group has adopted the codes provisions of the Corporate Governance Code (the "CG Code") as set out in the Appendix 15 to the GEM Listing Rules. The Board considers that the Group has complied with the all code provisions, except for A.2.1 of the CG Code, for the period from the Listing up to the date of this announcement.

For the financial year ended 31 March 2018, the roles of Chairman are performed by the Chief Executive Officer, Ms. Wong Bik Kwan Bikie. 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, our 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.

The provision A.1.1 of the CG Code requires at least four board meetings in a year and the Group held one board meetings subsequent to the Listing. The Board considers that the number of board meeting held after the Listing had fulfilled, in proportion to time, the requirement of code provision A.1.1 of the CG Code.

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.

The Group has made specific enquiries of all the Directors and the Directors have confirmed that they have been complying with the required standard of dealings and the related code of conduct regarding director's securities transactions.

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.

ANNUAL GENERAL MEETING

The annual general meeting (the "AGM") of the Company will be held on Thursday, 27 September 2018, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM, the transfer books and the register of members of the Company will be closed from Friday, 21 September 2018 to Thursday, 27 September 2018, both days inclusive, during which period no transfer of the Shares will be registered. In order to establish the right to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 20 September 2018.

AUDIT COMMITTEE

The Board has complied with the provisions of the CG Code set out in Appendix 15 to the GEM Listing Rules and established the Audit Committee and develop the terms of reference in writing on 1 March 2018.

The Audit Committee consists of two independent non-executive Directors and one non-executive Director, namely:

Mr. Wong Lung Wo James	Chairman of Audit Committee & Independent non-executive Director
Mr. Chan Ping Keung	Independent non-executive Director
Dr. Miu Yin Shun Andrew	Non-executive Director

The main duties of the Audit Committee include, but not limited to:

- review the Group's financial statements, quarterly, half-yearly and annual financial reports;
- review the material financial reporting judgements, accounting policies and practices contained therein;
- review the effectiveness and adequacy of the Group's risk management and internal control systems;
- review and monitor the external auditor's independence and objectivity; and the effectiveness of the audit process in accordance with applicable standards;
- make recommendations to the Board on the appointment, reappointment and removal of external auditor;
- approve the remuneration and the terms of engagement of the external auditor; and
- make recommendations to the Board (if any).

The annual results for the year ended 31 March 2018 have been reviewed by the Audit Committee.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2018 as set out in this annual results announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2018. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the annual results announcement.

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

Hong Kong, 25 June 2018

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) for at least seven days from the date of its publication and the website of the Company (www.grandbrilliancegroup.com).