

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2023

The board of directors (the “**Board**”) of Grand Brilliance Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2023 (the “**Quarterly Results**”). This announcement contains the full text of the quarterly report of the Group for the three months ended 30 June 2023 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**GEM Listing Rules**”). The Quarterly Results have been reviewed by the Board and the audit committee of the Board.

This results announcement is published on the websites of the Company (www.grandbrilliancegroup.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The quarterly report of the Company for the three months ended 30 June 2023 will be delivered to shareholders of the Company and will also be available at the abovementioned websites in due course in the manner as required by the GEM Listing Rules.

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

Hong Kong, 11 August 2023

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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Hong Kong Stock Exchange (www.hkexnews.hk) for at least seven days from the date of its publication and the website of the Company (www.grandbrilliancegroup.com).

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.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, 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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FIRST 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 three months ended 30 June 2023, together with the comparative figures for the corresponding period in 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2023

		For the three months ended 30 June	
	Notes	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	4	20,502	15,696
Cost of revenue		(10,431)	(7,818)
Gross profit		10,071	7,878
Other income		356	280
Other gains or losses		(334)	18
Distribution and selling expenses		(259)	(328)
Administrative and other operating expenses		(8,135)	(6,495)
Share of results of associates		(37)	(20)
Finance costs	5	(26)	(34)
Profit before income tax	6	1,636	1,299
Income tax expense	7	(427)	(220)
Profit and total comprehensive income for the period attributable to owners of the Company		1,209	1,079
		HK cent	HK cent
Earnings per share attributable to owners of the Company			
Basic and diluted earnings per share	9	0.15	0.13

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2022 (audited)	8,000	52,499	1,500	1,015	30,495	93,509
Profit and total comprehensive income for the period	-	-	-	-	1,079	1,079
Dividend declared (note 8)	-	-	-	-	(2,400)	(2,400)
At 30 June 2022 (unaudited)	8,000	52,499	1,500	1,015	29,174	92,188
At 1 April 2023 (audited)	8,000	52,499	1,500	1,015	35,657	98,671
Profit and total comprehensive income for the period	-	-	-	-	1,209	1,209
Dividend declared (note 8)	-	-	-	-	(3,200)	(3,200)
At 30 June 2023 (unaudited)	8,000	52,499	1,500	1,015	33,666	96,680

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability under the Companies Act, 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 company 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 2023.

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 three months ended 30 June 2023 are consistent with those adopted in the audited financial statements for the year ended 31 March 2023, 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 three months ended 30 June 2023 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 (other than deferred tax and financial assets) are located in Hong Kong. Accordingly, no separate segmental analysis is presented.

(c) Disaggregation of revenue from contracts with customers

	For the three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Timing of revenue recognition		
Over time	408	493
At a point in time	20,055	15,164
	20,463	15,657

(d) Information about major customers

For the three months ended 30 June 2023 and 2022, 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:

	For the three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue from contracts with customers:		
Sales of medical devices and products		
Medical consumables	12,792	11,970
Medical equipment	6,913	2,888
Medical instruments	350	306
	20,055	15,164
Rendering of maintenance services	408	493
	20,463	15,657
Revenue from other source:		
Rental income from leasing medical devices	39	39
	20,502	15,696

5. FINANCE COSTS

	For the three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on lease liabilities	37	34

6. PROFIT BEFORE INCOME TAX

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

	For the three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cost of inventories recognised as expense [#]		
— Carrying amount of inventories sold	10,170	7,197
— Reversal of allowance for inventories	(327)	(89)
	9,843	7,108
Change in fair value of financial asset at fair value through profit or loss	111	(61)
Depreciation of property, plant and equipment [*]	138	111
Depreciation of right-of-use assets	989	984
Employee costs (including directors' emoluments)		
— Salaries, allowances and other benefits	4,537	3,983
— Contributions to defined contribution retirement plan ^{<}	140	135
	4,677	4,118
Bank interest income	(356)	—
Exchange loss, net	142	130
Research and development expenditure [^]	907	619
Provision/(reversal) of loss allowance for trade receivables	81	(87)

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\$907,000 for the three months ended 30 June 2023 (three months ended 30 June 2022: HK\$614,000) which have been included in the employee costs above.

< For the three months ended 30 June 2023, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (three months ended 30 June 2022: nil). As at 30 June 2023, no forfeited contribution under these plans is available to reduce future contribution (three months ended 30 June 2022: nil)

7. INCOME TAX EXPENSE

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

	For the three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax for the period		
— Hong Kong Profits Tax	317	216
Deferred tax	110	4
	427	220

The Group has no income subject to taxation in the Cayman Islands, the British Virgin Islands and United Kingdom. The Company and its Hong Kong incorporated subsidiaries are subject to Hong Kong Profits Tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

8. DIVIDENDS

The Board does not recommend or declare the payment of a dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: Nil).

	For the three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interim dividend for the year ended 31 March 2023 of HK0.4 cent per share (2022: HK0.3 cent per share)	3,200	2,400

Note:

An interim dividend of HK0.4 cent per ordinary share for the year ended 31 March 2023 was declared by the Board, which will be paid on or before Monday, 14 August 2023 to the shareholders of the Company whose names appear on the register of members on Friday, 7 July 2023.

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:

	For the three months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	1,209	1,079
	'000	'000
Weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted earnings per share	800,000	800,000

For the purpose of calculating diluted earnings per share for the three months ended 30 June 2023 and 2022, no adjustment has been made as the exercise of the outstanding share options has an anti-dilutive effect of 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 three months ended 30 June 2023, the Group continued to implement our business strategy to solidify our position as a major medical device distributor in Hong Kong. We have established an associate company which will facilitate and bring about the Group's future business development in developing and establishing autonomous mobile robot solutions in the healthcare industries 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 and enhancing our research and development ability.

During the period under review, Hong Kong's economy is recovering gradually from the Coronavirus Disease 2019 ("COVID-19") outbreak. The spending plans of our customers have been disrupted or postponed by the outbreak of COVID-19. The above situation has been improved when China and Hong Kong lifted COVID-19 restrictions. The Group will further expand the product portfolio and enhance the customer services to enhance our one-stop medical device solutions services.

Looking ahead, while China and Hong Kong have lifted COVID-19 restrictions, we continue to be optimistic on the outlook of the medical and healthcare industry, attributable to 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 31%, from approximately HK\$15.7 million for the three months ended 30 June 2022 to approximately HK\$20.5 million for the three months ended 30 June 2023. The increase was primarily attributable to the increase in revenue generated from medical equipments when customers restore their capital expenditure from the lifted of COVID-19 restrictions.

Gross profit and gross profit margin

The Group recorded gross profit of approximately HK\$10.1 million for the three months ended 30 June 2023, representing an increase by approximately HK\$2.2 million or 28%, as compared to approximately HK\$7.9 million for the three months ended 30 June 2022. Gross profit margin decreased slightly from approximately 50.2% for the three months ended 30 June 2022 to approximately 49.1% for the three months ended 30 June 2023.

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 three months ended 30 June 2023 amounted to approximately HK\$8.1 million, representing an increase by approximately HK\$1.6 million or 25%, as compared to approximately HK\$6.5 million for the three months ended 30 June 2022. The increase was primarily attributable to the increase in marketing activities and general increase in wages of the Group for the three months ended 30 June 2023.

Income tax expenses

Income tax expenses for the three months ended 30 June 2023 amounted to approximately HK\$0.4 million (three months ended 30 June 2022: approximately HK\$0.2 million).

Profit for the period

The Group's profit increased by approximately HK\$0.1 million from approximately HK\$1.1 million for the three months ended 30 June 2022 to approximately HK\$1.2 million for the three months ended 30 June 2023. The increase was primarily attributable to the increase in revenue, after netting off the increase in administrative and other operating expenses during the three months ended 30 June 2023 as discussed above.

Dividend

The Board has resolved not to declare dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: 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 30 June 2023, 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 shares of the Company and associated corporations

Name of Director/ chief executive	Name of Group member/associated corporation	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)	The Company	Interest in a controlled corporation	568,028,001	–		
		Beneficial owner	–	7,980,000		
				568,028,001	7,980,000	576,008,001
	B&A Success	Beneficial owner	100 shares of US\$1.00 each	–	–	100%
Dr. Miu Yin Shun Andrew ("Dr. Miu") (Note 2)	The Company	Interest of spouse	568,028,001	7,980,000	576,008,001	72.00%
Mr. Chiu Man Wai ("Mr. Chiu") (Note 3)	The Company	Interest in a controlled corporation	9,620,000	–	9,620,000	1.20%
	Infinite Crystal Limited	Beneficial owner	900 shares of US\$1.00 each	–	–	100%
Mr. Chow Ming Po Aaron	The Company	Beneficial owner	7,810,000	–	7,810,000	0.98%

Notes:

- 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.
- 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.
- 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 30 June 2023, 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 30 June 2023, 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 of the Company

Name of shareholders	Nature of Interest	Total number of shares	Approximate percentage of shareholding
B&A Success	Beneficial owner	568,028,001	71.00%

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 30 June 2023 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 three months ended 30 June 2023 are as follows:

Date of Grant	Exercise price per Share HK\$	as at 01/04/2023	Number of Shares issuable under the options				as at 30/06/2023	Exercise period
			granted during the period	exercised during the period	lapsed during the period			
Director								
Ms. Wong	18/04/2019	0.12	7,980,000	-	-	-	7,980,000	Note 1
Employees of the Group								
In aggregate	18/04/2019	0.12	13,480,000	-	-	-	13,480,000	Note 1
			21,460,000	-	-	-	21,460,000	

Notes:

- up to 40% of the Share Options are exercisable on or after 18 April 2019;
 - up to 70% of the Share Options are exercisable on or after 18 April 2020;
 - all the remaining Share Options are exercisable on or after 18 April 2021;

and in each case, not later than 17 April 2024.
- The closing price of the shares as stated in the Stock Exchange’s daily quotations sheet immediately before the date on which the share options are granted (i.e. 17 April 2019) was HK\$0.12.

Save as disclosed above, no options were granted, exercised, forfeited, cancelled or lapsed during the three months ended 30 June 2023.

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 three months ended 30 June 2023.

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 three months ended 30 June 2023.

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 three months ended 30 June 2023.

CORPORATE GOVERNANCE PRACTICE

The Group has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) as set out in the Appendix 15 to the GEM Listing Rules. During the three months ended 30 June 2023, the Group has complied with all the code provisions of the New Code, except for the deviation stipulated below.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to the code provision C.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 three months ended 30 June 2023, 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 seek 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 website of the Hong Kong Stock Exchange and on the Company's website. 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 three months ended 30 June 2023, 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, 11 August 2023

As at the date of this report, 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.