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CHINA BRILLIANT GLOBAL LIMITED

朗華國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8026)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “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 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 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 China Brilliant Global Limited (the “**Company**”) 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 (the “**GEM Listing Rules**”) 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.*

HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2024 amounted to approximately HK\$91,254,000, representing a decrease of approximately HK\$17,070,000 as compared to last year.
- The Group’s gross profit for the year ended 31 March 2024 was approximately HK\$18,846,000, decreased by approximately HK\$864,000 as compared to last year.
- The Group recorded a loss of approximately HK\$76,095,000 for the year ended 31 March 2024, compared to loss of approximately HK\$43,386,000 (restated) for the year ended 31 March 2023 mainly due to (i) significant increase in impairment losses recognised under expected credit loss model, net of reversal; (ii) loss from discontinued operation in amounting to HK\$21,505,000 and (iii) one off employees share award scheme expenses.
- The Board does not recommend the payment of any dividend for the year ended 31 March 2024.

RESULTS

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2024 together with the comparative audited figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenue	4	91,254	108,324
Cost of sales		(72,408)	(88,614)
Gross profit		18,846	19,710
Other gains and losses, net	5	(8,489)	(9,172)
Selling expenses		(39)	(64)
Administrative expenses		(37,568)	(16,967)
Finance costs	6	(484)	(102)
Impairment losses recognised under expected credit loss model, net of reversal		(23,803)	(4,056)
Loss before tax	7	(51,537)	(10,651)
Income tax expense	8	(3,053)	(1,389)
Loss for the year from continuing operations		(54,590)	(12,040)
Discontinued operation			
Loss for the period/year from discontinued operation	14	(21,505)	(31,346)
Loss for the year		(76,095)	(43,386)
Other comprehensive income:			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(1,424)	(1,497)
Reclassification adjustments for foreign operations disposed of during the year		(146)	–
Other comprehensive loss for the year		(1,570)	(1,497)
Total comprehensive loss for the year		(77,665)	(44,883)

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000 (Restated)
Loss for the year attributable to:			
– Owners of the Company		(68,926)	(32,792)
– Non-controlling interests		(7,169)	(10,594)
		<u>(76,095)</u>	<u>(43,386)</u>
Loss for year attributable to owners of the Company arising from:			
– continuing operations		(54,590)	(12,040)
– discontinued operation		(14,336)	(20,752)
		<u>(68,926)</u>	<u>(32,792)</u>
Total comprehensive loss for the year attributable to:			
– Owners of the Company		(70,555)	(34,332)
– Non-controlling interests		(7,110)	(10,551)
		<u>(77,665)</u>	<u>(44,883)</u>
Loss per share	9		
From continuing and discontinued operations			
Basic and diluted (<i>HK cents</i>)		<u>(4.73)</u>	<u>(2.25)</u>
From continuing operations			
Basic and diluted (<i>HK cents</i>)		<u>(3.75)</u>	<u>(0.83)</u>
From discontinued operation			
Basic and diluted (<i>HK cents</i>)		<u>(0.98)</u>	<u>(1.42)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		585	1,495
Right-of-use assets		77	999
Intangible assets		839	13,395
Interest in an associate		–	–
Financial assets at fair value through profit or loss		240,994	–
Prepayment		–	211
		<hr/>	<hr/>
Total non-current assets		242,495	16,100
CURRENT ASSETS			
Inventories		2,681	16,816
Trade receivables	<i>10</i>	435	5,559
Loan receivables	<i>11</i>	10,491	71,898
Prepayment, deposits and other receivables		1,391	18,582
Amount due from former associate/an associate		1,235	4,583
Amounts due from related companies		85,986	15,242
Prepaid tax		30	30
Cash and cash equivalents		15,248	46,886
		<hr/>	<hr/>
		117,497	179,596
Non-current asset classified as held for sale		5,200	–
		<hr/>	<hr/>
Total current assets		122,697	179,596
CURRENT LIABILITIES			
Trade payables	<i>12</i>	575	1,386
Other payables and accruals		3,851	10,946
Contract liabilities		4,314	18,700
Deposits from customers		–	31,539
Amounts due to related companies		10,273	6,329
Amounts due to directors		20,158	–
Lease liabilities		65	1,032
Tax payables		1,864	1,388
		<hr/>	<hr/>
Total current liabilities		41,100	71,320

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000 (Restated)
NET CURRENT ASSETS		<u>81,597</u>	<u>108,276</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>324,092</u>	<u>124,376</u>
NON-CURRENT LIABILITIES			
Lease liabilities		–	65
Promissory note		–	<u>58,149</u>
Total non-current liabilities		<u>–</u>	<u>58,214</u>
NET ASSETS		<u>324,092</u>	<u>66,162</u>
EQUITY			
Share capital	<i>13</i>	145,724	145,724
Reserves		<u>178,368</u>	<u>(110,342)</u>
Equity attributable to owners of the Company		324,092	35,382
Non-controlling interests		<u>–</u>	<u>30,780</u>
TOTAL EQUITY		<u>324,092</u>	<u>66,162</u>

NOTES

For the year ended 31 March 2024

1. GENERAL INFORMATION

China Brilliant Global Limited is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands. The address of its principal place of business is DD125, Lot #1998 R.P & other, Shek Po Road, Ha Tsuen, Yuen Long, N.T., Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate and ultimate parent is Brilliant Chapter Limited ("**Brilliant Chapter**"), a company incorporated in Republic of Seychelles with limited liabilities and owned by Mr. Zhang Chunhua ("**Mr. Zhang**") and Source Mega Limited which acts as nominee of Ms. Zhang Chunping ("**Ms. Zhang**"). Both Mr. Zhang and Ms. Zhang are the directors and Mr. Zhang is the brother of Ms. Zhang.

The consolidated financial statements are presented in Hong Kong dollar ("**HK\$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**HK\$'000**"), unless otherwise stated.

Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of the reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

Merger accounting for business combination under common control

On 5 October 2023 (the “**Completion Date**”), the Group completed to acquire the entire equity interest in Shenzhen China Brilliant Property Services Company Limited* (深圳市朗華物業服務有限公司) (“**Shenzhen CBPS**”), which engaged in the property management and value-added services (including but not limited to the provision of intelligent management systems, hardware and charging platform software for the managed property, supervision of renovation projects and inspection of such projects) (“**Property Management Service Business**”) from Shenzhen Pengyuan Smart Technology Company Limited* (深圳市鵬遠智能科技有限公司) (“**Shenzhen Pengyuan**”), a company ultimate controlled by Mr. Zhang (the “**Acquisition**”).

On the Completion Date, the Group completed to dispose of 3,794 ordinary shares in Brillink Holdings Limited (“**Brillink Holdings**”) to Mr. Zhang (the “**Disposal**”). Brillink Holdings Limited is an investing holding company and through its operating subsidiaries (collectively referred to as “**Brillink Group**”), is principally engaged in the fintech business (the “**Fintech Business**”) in the Republic of Kazakhstan (“**Kazakhstan**”). Upon the completion of the Disposal, the Group has lost of control in the Fintech Business. Accordingly, the Group did not carry on Fintech Business since 5 October 2023.

The consideration of the Disposal was settled by way of (i) exchange the entire equity interest in Shenzhen CBPS; and (ii) set-off the unsecured promissory note issued to Mr. Zhang with the outstanding principal amounts of US\$10,000,000 (equivalent to HK\$78,000,000) (the “**Promissory Note**”) and relevant interest payables due by the Company.

On 30 July 2023, the Board of the Shenzhen CBPS has declared the payment of dividends to the Shenzhen Pengyuan by the way of offsetting with amount due from Shenzhen Pengyuan of RMB11,000,000 (equivalent to approximately HK\$11,883,000).

The Acquisition was considered as a business combination under common control as the Group and the Shenzhen CBPS are both ultimately controlled by Mr. Zhang. The Acquisition was accounted for using merger accounting in accordance with Hong Kong Accounting Guideline 5 *Merger Accounting for Common Control Combinations* (“**AG 5**”) issued by the HKICPA. The Group and the Shenzhen CBPS are regarded as continuing entities.

Under merger accounting, based on the guidance set out in AG 5, the financial information incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing carrying amounts from the controlling party’s perspective. No amount is recognised in respect of goodwill or excess of acquirer’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party’s interest. The adjustments to eliminate registered capital of the combining entities or businesses against the related investment costs have been made to other reserve in the consolidated financial statements.

* for identification purpose only

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the prior years have been restated to include the results of the Shenzhen CBPS as if the Acquisition had been completed since the date the respective business first came under the common control of the Company and adjusted as a result of the Disposal classified as discontinued operation. The consolidated statement of financial position as at 1 April 2022 and as at 31 March 2023 have been restated to adjust the carrying amounts of the assets and liabilities of Shenzhen CBPS which had been in existence as at 1 April 2022 and as at 31 March 2023 as if those entities or businesses were combined from the date when they first came under the common control of the Company.

- (i) Effect on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2023:

	For the year ended 31 March 2023			The Group (As restated) HK\$'000
	The Group (As previously reported) HK\$'000	Adjustments for the discontinued operation HK\$'000	Adjustments for the combination using merger accounting HK\$'000	
Revenue	93,930	(1,832)	16,226	108,324
Cost of sales	(87,916)	-	(698)	(88,614)
Gross profit	6,014	(1,832)	15,528	19,710
Other gains and losses, net	(9,257)	(121)	206	(9,172)
Selling expenses	(162)	98	-	(64)
Administrative expenses	(43,301)	32,687	(6,353)	(16,967)
Finance costs	(102)	-	-	(102)
Impairment losses recognised under expected credit loss model, net of reversal	(4,570)	514	-	(4,056)
(Loss)/profit before tax	(51,378)	31,346	9,381	(10,651)
Income tax expense	-	-	(1,389)	(1,389)
(Loss)/profit for the year from continuing operations	(51,378)	31,346	7,992	(12,040)
Discontinued operation				
Loss for the year from discontinued operation	-	(31,346)	-	(31,346)
(Loss)/profit for year	(51,378)	-	7,992	(43,386)
Other comprehensive income:				
<i>Item that are or may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(688)	-	(809)	(1,497)
Other comprehensive loss for the year	(688)	-	(809)	(1,497)
Total comprehensive (loss)/income for the year	(52,066)	-	7,183	(44,883)

	For the year ended 31 March 2023			
	The Group (As previously reported) HK\$'000	Adjustments for the discontinued operation HK\$'000	Adjustments for the combination using merger accounting HK\$'000	The Group (As restated) HK\$'000
(Loss)/profit for the year attributable to:				
— Owners of the Company	(40,784)	-	7,992	(32,792)
— Non-controlling interests	(10,594)	-	-	(10,594)
	<u>(51,378)</u>	<u>-</u>	<u>7,992</u>	<u>(43,386)</u>
Total comprehensive (loss)/income for the year attributable to:				
— Owners of the Company	(41,515)	-	7,183	(34,332)
— Non-controlling interests	(10,551)	-	-	(10,551)
	<u>(52,066)</u>	<u>-</u>	<u>7,183</u>	<u>(44,883)</u>
Loss per share				
Basic and diluted (<i>HK cents</i>)	<u>(2.80)</u>	<u>-</u>	<u>0.55</u>	<u>(2.25)</u>

(ii) Effect on the consolidated statement of financial position as at 1 April 2022:

	The Group (As previously reported) HK\$'000	Adjustments for the combination using merger accounting HK\$'000	The Group (As Restated) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	1,385	3	1,388
Right-of-use assets	170	—	170
Intangible assets	14,375	1,201	15,576
Interest in an associate	—	—	—
Total non-current assets	<u>15,930</u>	<u>1,204</u>	<u>17,134</u>
CURRENT ASSETS			
Inventories	634	—	634
Trade receivables	5,393	742	6,135
Loan receivables	42,005	—	42,005
Prepayment, deposits and other receivables	6,495	192	6,687
Amount due from an associate	6,170	—	6,170
Amounts due from related companies	—	8,404	8,404
Prepaid tax	30	—	30
Cash and cash equivalents	92,144	2,257	94,401
Total current assets	<u>152,871</u>	<u>11,595</u>	<u>164,466</u>

	The Group (As previously reported) <i>HK\$'000</i>	Adjustments for the combination using merger accounting <i>HK\$'000</i>	The Group (As Restated) <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade payables	10	1,232	1,242
Other payables and accruals	7,844	714	8,558
Contract liabilities	2,495	—	2,495
Deposits from customers	7,272	—	7,272
Lease liabilities	94	—	94
Promissory note	75,947	—	75,947
Amounts due to related companies	—	498	498
Tax payables	—	193	193
	<hr/>	<hr/>	<hr/>
Total current liabilities	93,662	2,637	96,299
	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS	59,209	8,958	68,167
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	75,139	10,162	85,301
	<hr/>	<hr/>	<hr/>
NET ASSETS	<u>75,139</u>	<u>10,162</u>	<u>85,301</u>
	<hr/>	<hr/>	<hr/>
EQUITY			
Share capital	145,724	—	145,724
Reserves	(119,494)	10,162	(109,332)
	<hr/>	<hr/>	<hr/>
Equity attributable to owners of the Company	26,230	10,162	36,392
Non-controlling interests	48,909	—	48,909
	<hr/>	<hr/>	<hr/>
TOTAL EQUITY	<u>75,139</u>	<u>10,162</u>	<u>85,301</u>
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(iii) Effect on the consolidated statement of financial position as at 31 March 2023:

	The Group (As previously reported) <i>HK\$'000</i>	Adjustments for the combination using merger accounting <i>HK\$'000</i>	The Group (As restated) <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	808	687	1,495
Right-of-use assets	999	–	999
Intangible assets	12,397	998	13,395
Interest in an associate	–	–	–
Prepayment	211	–	211
	<hr/>	<hr/>	<hr/>
Total non-current assets	14,415	1,685	16,100
CURRENT ASSETS			
Inventories	16,816	–	16,816
Trade receivables	4,239	1,320	5,559
Loan receivables	71,898	–	71,898
Prepayment, deposits and other receivables	11,694	6,888	18,582
Amount due from an associate	4,583	–	4,583
Amounts due from related companies	–	15,242	15,242
Prepaid tax	30	–	30
Cash and cash equivalents	45,089	1,797	46,886
	<hr/>	<hr/>	<hr/>
Total current assets	154,349	25,247	179,596
CURRENT LIABILITIES			
Trade payables	4	1,382	1,386
Other payables and accruals	10,216	730	10,946
Contract liabilities	18,700	–	18,700
Deposits from customers	31,539	–	31,539
Lease liabilities	1,032	–	1,032
Amounts due to related companies	–	6,329	6,329
Tax payables	–	1,388	1,388
	<hr/>	<hr/>	<hr/>
Total current liabilities	61,491	9,829	71,320
NET CURRENT ASSETS	92,858	15,418	108,276
TOTAL ASSETS LESS CURRENT LIABILITIES	107,273	17,103	124,376
NON-CURRENT LIABILITIES			
Lease liabilities	65	–	65
Promissory note	58,149	–	58,149
	<hr/>	<hr/>	<hr/>
Total non-current liabilities	58,214	–	58,214
NET ASSETS	49,059	17,103	66,162
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	The Group (As previously reported) HK\$'000	Adjustments for the combination using merger accounting HK\$'000	The Group (As restated) HK\$'000
EQUITY			
Share capital	145,724	–	145,724
Reserves	(127,445)	17,103	(110,342)
	<hr/>	<hr/>	<hr/>
Equity attributable to owners of the Company	18,279	17,103	35,382
Non-controlling interests	30,780	–	30,780
	<hr/>	<hr/>	<hr/>
TOTAL EQUITY	<u>49,059</u>	<u>17,103</u>	<u>66,162</u>

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

Change in accounting policy on offsetting arrangement in long service payment scheme in Hong Kong Special Administrative Region (“HKSAR”)

In June 2022, HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which will be effective from 1 May 2025 (the “**Transition Date**”). Under the Amendment Ordinance, any accrued benefits attributable to the employer’s mandatory contributions under mandatory provident fund scheme (“**MPF Benefits**”) of an entity would no longer be eligible to offset against its obligations on long service payment (“**LSP**”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the “**Practical expedient**”) to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF — LSP offsetting mechanism in Hong Kong” (the “**Guidance**”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a “simple type of contributory plans” to which the Practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 March 2023 or for the year then ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

Impacts on application of amendments to HKAS 1 and HKFRS practice statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

The application of the amendments has had no material impact on the Group’s financial position and performance but has affected the disclosure of the Group’s accounting policies.

Except for disclosed above, the application of other new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors, being the chief operating decision maker (the “**CODM**”), for the purpose of monitoring segment performance and allocating resources between segments that are used to make strategic decisions.

The Group has four reportable segments during the year ended 31 March 2024 (2023: three). The reportable segments are based on the information about the operations of the Group that management uses to make decisions.

The Group’s reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies. Particulars of the Group’s reportable segments for continuing and discontinued operations are summarised as follows:

Continuing operations

- Gold and jewellery business
- Lending business
- Property management services business

Discontinued operation

- Fintech business

For the year ended 31 March 2024	Gold and jewellery business <i>HK\$'000</i>	Lending business <i>HK\$'000</i>	Property management services business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Continuing operations				
REVENUE	71,810	2,461	16,983	91,254
RESULTS				
Segment results	381	1,281	11,863	13,525
Unallocated income				1
Unallocated expenses				(64,579)
Finance costs				(484)
Loss before tax				(51,537)

For the year ended 31 March 2023	Gold and jewellery business <i>HK\$'000</i>	Lending business <i>HK\$'000</i>	Property management services business <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
Continuing operations				
REVENUE	<u>88,928</u>	<u>3,170</u>	<u>16,226</u>	<u>108,324</u>
RESULTS				
Segment results	(928)	(677)	9,381	7,776
Unallocated income				124
Unallocated expenses				(18,449)
Finance costs				<u>(102)</u>
Loss before tax				<u>(10,651)</u>

The accounting policies of the operating segments are the same as the Group's material accounting policies described in note 2 to the consolidated financial statements. Segment (loss)/profit represents the (loss suffered)/profit earned from each segment without allocation of central administrative costs, certain other gains and losses, net, finance costs and certain impairment losses recognised under expected credit losses model, net of reversal which not included in segment results. This is the measure reported to the Group's management for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's assets and liabilities by operating segment:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
SEGMENT ASSETS		
Gold and jewellery business	11,768	28,157
Lending business	11,576	28,988
Property management services business	13,491	26,932
Segment assets	36,835	84,077
Assets related to discontinued operation	–	107,230
Interest in an associate	–	–
Unallocated assets	328,357	4,389
Total assets	<u>365,192</u>	<u>195,696</u>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
SEGMENT LIABILITIES		
Gold and jewellery business	4,938	18,815
Lending business	10,275	3
Property management services business	3,294	9,831
	<hr/>	<hr/>
Segment liabilities	18,507	28,649
Liabilities associated to discontinued operation	–	35,853
Unallocated liabilities	22,593	65,032
	<hr/>	<hr/>
Total liabilities	41,100	129,534
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments except interest in an associate, financial assets at fair value through profit or loss, amount due from former associate/an associate, certain amounts due from related companies, certain property, plant and equipment, right-of-use assets, prepayment, deposits and other receivables and cash and cash equivalents held by the respective head offices; and
- all liabilities are allocated to operating segments except certain other payables and accruals, lease liabilities, amounts due to directors and promissory note.

Geographical information

Information about the Group's revenue from external customers, presented based on geographical location of the customers, and information about the Group's non-current assets other than financial assets and prepayment, presented based on geographical location of the assets are detailed below:

	Revenue of external customers from continuing operations		Non-current assets	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The People's Republic of China (the "PRC")	89,585	105,583	840	1,690
Hong Kong	1,669	2,741	661	14,150
Kazakhstan	–	–	–	49
	<hr/>	<hr/>	<hr/>	<hr/>
Total	91,254	108,324	1,501	15,889
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note: Non-current assets exclude financial assets at fair value through profit or loss and prepayment.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Customer A ¹	–	13,629
Customer B ¹	N/A ²	25,591
Customer C ¹	59,606	24,089
Customer D ¹	N/A ²	22,368
	<u> </u>	<u> </u>

¹ Revenue from gold and jewellery business

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Except disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

Other segment information

For the year ended 31 March 2024

	Gold and jewellery business <i>HK\$'000</i>	Lending business <i>HK\$'000</i>	Property management service business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidation <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:					
Amortisation of intangible assets	–	–	113	–	113
Depreciation of property, plant and equipment	3	–	153	209	365
Depreciation of right-of-use assets	–	–	–	922	922
Loss arising on fair value change of financial assets at fair value through profit or loss	–	–	–	8,688	8,688
Impairment losses recognised under expected credit loss model, net of reversal	3,208	3,013	157	17,425	23,803
Additions to non-current assets (<i>note</i>)	–	–	40	–	40
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:					
Bank interest income	(26)	(40)	(12)	(1)	(79)
Finance costs	–	–	–	484	484
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the year ended 31 March 2023

	Gold and jewellery business HK\$'000	Lending business HK\$'000	Property management service business HK\$'000	Unallocated HK\$'000	Consolidation HK\$'000 (Restated)
Amounts included in the measure of segment profit or loss or segment assets:					
Amortisation of intangible assets	-	-	119	-	119
Depreciation of property, plant and equipment	7	-	78	733	818
Depreciation of right-of-use assets	-	-	-	1,093	1,093
Loss arising on fair value change of financial liabilities at fair value through profit or loss	-	-	-	9,617	9,617
Impairment losses recognised under expected credit loss model, net of reversal	(41)	3,805	-	292	4,056
Additions to non-current assets (<i>note</i>)	12	-	792	1,925	2,729
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:					
Bank interest income	(28)	(26)	(1)	-	(55)
Finance costs	-	-	-	102	102

Note: Non-current assets included property, plant and equipment, right-of-use assets and intangible assets.

4. REVENUE

	2024 HK\$'000	2023 HK\$'000 (Restated)
Continuing operations		
Revenue from contracts with customers with HKFRS 15		
<i>Recognised at a point in time:</i>		
Trading of gold and jewellery products	71,810	88,928
Commission income	792	429
	<u>72,602</u>	<u>89,357</u>
<i>Recognised over time:</i>		
Property management services	15,062	14,532
Value-added services	468	346
	<u>15,530</u>	<u>14,878</u>
Revenue from contracts with customers	88,132	104,235
<i>Revenue from other source:</i>		
Loan interest income	1,669	2,741
Lease payments that are fixed for carparking operation	1,453	1,348
Total revenue	<u><u>91,254</u></u>	<u><u>108,324</u></u>

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contract that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales contract that had an original expected duration of one year or less.

5. OTHER GAINS AND LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Continuing operations		
Bank interest income	79	55
Exchange (losses)/gain, net	(19)	33
Loss arising on fair value change of financial liabilities at fair value through profit or loss	(8,688)	(9,617)
Gain on disposal of interest in an associate	10	–
Government grants	–	123
Sundry income	129	234
	<u> </u>	<u> </u>
	<u>(8,489)</u>	<u>(9,172)</u>

During the year ended 31 March 2023, the Group recognised government grants of HK\$123,000 in respect of Covid-19-related subsidies which relates to Employment Support Scheme provided by the HKSAR Government as a support. There were no unfulfilled conditions or contingencies relating to these government grants.

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Interest on lease liabilities	48	102
Interest on amounts due to directors	436	–
	<u> </u>	<u> </u>
	<u>484</u>	<u>102</u>

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Continuing operations		
Amortisation of intangible assets	113	119
Cost of inventories sold	71,287	87,916
Depreciation of property, plant and equipment	365	818
Depreciation of right-of-use assets	922	1,093
Impairment losses recognised under expected credit losses model, net of reversal		
— amount due from former associate/an associate	3,659	2,209
— amounts due from related companies	17,189	–
— trade receivables	3,067	(102)
— loan receivables	(112)	1,970
— deposits and other receivables	–	(21)
	<u>23,803</u>	<u>4,056</u>
Expenses relating to short-term leases	184	1,487
Expenses relating to low value assets	18	18
Auditor's remuneration:		
— audit services	1,012	949
— non-audit services	849	–
Employee benefits expense (including directors' remuneration):		
— Wages, salaries, allowances and benefits in kind	7,917	7,855
— Discretionary bonus	164	305
— Employees share award scheme	20,503	–
— Retirement benefit schemes contributions	537	296
	<u>29,121</u>	<u>8,456</u>

8. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Continuing operations		
PRC Enterprise Income Tax		
— Current year	<u>3,053</u>	<u>1,389</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Group has no assessable profits arising in Hong Kong for both years.

9. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(68,926)</u>	<u>(32,792)</u>
	2024 '000	2023 '000

Number of shares

Weighted average number of ordinary shares
for the purpose of basic and diluted
loss per share

<u>1,457,239</u>	<u>1,457,239</u>
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As the Company’s outstanding share options had an anti-dilutive effect to the basic loss per share calculation for both years, the exercise of the above potential ordinary shares is not assumed in the calculation of diluted loss per share. Therefore, the diluted loss per share is same as basic loss per share.

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year from continuing operations attributable to owners of the Company)	<u><u>(54,590)</u></u>	<u><u>(12,040)</u></u>

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted loss per share from continuing and discontinued operations respectively.

From discontinued operation

The calculation of basic and diluted loss per share from discontinued operation attributable to owners of the Company are based on the following data:

	Period from 1 April 2023 to respective date of the Disposal <i>HK\$'000</i>	From 1 April 2022 to 31 March 2023 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the period/year from discontinued operation attributable to owners of the Company)	<u><u>(14,336)</u></u>	<u><u>(20,752)</u></u>

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted loss per share from continuing and discontinued operations respectively.

10. TRADE RECEIVABLES

An aging analysis of the Group's trade receivables, net of allowance for credit losses, based on earlier of the invoice date or revenue recognition date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Within 3 months	378	1,303
4 to 6 months	57	4,240
7 to 12 months	—	16
	<u>435</u>	<u>5,559</u>

11. LOAN RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loans and advances from fintech business		
— Corporate loans and advances	—	49,480
Accrued interest	—	379
	—	49,859
Less: allowance for credit losses	—	(659)
	—	49,200
Loans and advances, net	—	49,200
Loan receivables from lending business	14,327	26,646
Less: allowance for credit losses	(3,836)	(3,948)
	10,491	22,698
Loan receivables, net	<u>10,491</u>	<u>71,898</u>

12. TRADE PAYABLES

An aging analysis of the Group's trade payables, based on the invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Within 3 months	91	1,382
Over 1 year	484	4
	<u>575</u>	<u>1,386</u>

13. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary Shares:		
As at 1 April 2022, as at 31 March 2023, as at 1 April 2023 and as at 31 March 2024		
– HK\$0.10 each	<u>2,500,000</u>	<u>250,000</u>
Issued and fully paid:		
As at 1 April 2022, as at 31 March 2023, as at 1 April 2023 and as at 31 March 2024	<u>1,457,239</u>	<u>145,724</u>

14. DISCONTINUED OPERATION

On 5 October 2023, the Group completed to dispose 3,794 ordinary shares in Brillink Holdings to Mr. Zhang by exchanging the entire equity interest on Shenzhen CBPS and set-off with outstanding promissory note and the related interest expenses. Brillink Group is engaged in Fintech Business. The financial results for the Brillink Group have been classified as discontinued operation.

The result of the discontinued operation for the period/year, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Period from 1 April 2023 to respective date of the Disposal HK\$'000	From 1 April 2022 to 31 March 2023 HK\$'000
Revenue	2,545	1,832
Other gains and losses, net	(1,331)	121
Selling expenses	(13)	(98)
Administrative expenses	(23,365)	(32,687)
Impairment loss recognised under expected credit loss model, net of reversal	<u>659</u>	<u>(514)</u>
Loss before tax	(21,505)	(31,346)
Income tax expense	<u>–</u>	<u>–</u>
Loss for the period/year from discontinued operation	<u>(21,505)</u>	<u>(31,346)</u>
Loss for the period/year attributable to		
— owners of the Company	(14,336)	(20,752)
— non-controlling interests	<u>(7,169)</u>	<u>(10,594)</u>
Loss for the period/year from discontinued operation	<u>(21,505)</u>	<u>(31,346)</u>

Loss for the period/year from discontinued operation has been arrived at after charging/(crediting):

	Period from 1 April 2023 to respective date of the Disposal <i>HK\$'000</i>	From 1 April 2022 to 31 March 2023 <i>HK\$'000</i>
Amortisation of intangible assets	1,714	3,256
Depreciation of property, plant and equipment	110	179
Impairment loss recognised under expected credit loss model, net of reversal:		
— loan receivables	(659)	514
Expenses relating to short-term leases	449	669
Employee benefits expense:		
— Wages, salaries, allowances and benefits in kind	5,053	9,407
— Employees share award scheme on subsidiary level	538	521
— Retirement benefit scheme contribution	209	402
	<u>5,800</u>	<u>10,330</u>

Cash flows of the discontinued operation for the period/year were as follows:

	Period from 1 April 2023 to respective date of the Disposal <i>HK\$'000</i>	From 1 April 2022 to 31 March 2023 <i>HK\$'000</i>
Net cash generated from/(used in) operating activities	6,902	(22,049)
Net cash used in investing activities	(283)	(1,818)
Net cash generated from/(used in) financing activities	37,518	(115)
	<u>44,137</u>	<u>(23,982)</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Gold and jewellery business

The Group is engaged in the trading of gold and jewellery products in the wholesale market and directly to customers through its own retail outlets.

During the period under review, the Group's gold and jewellery business included wholesale and retail of jewellery and related ancillary business (including but not limited to custom-made jewellery, valet-procurement of jewellery and various after-sales services), and most of the processing businesses are performed in the form of commissioned processing by external factories. The gold and jewellery products sold by the Group mainly included gold jewellery, platinum jewellery, diamond jewellery, gemstone jewellery, emerald and karat gold jewellery.

The Group's jewellery wholesale business was mainly conducted through the wholesale of jewellery products to jewellery wholesalers by 至尊彩虹鑽石(深圳)有限公司, a wholly owned subsidiary of the Company, where the jewellery products being wholesaled were mainly gold jewelries. During the period under review, the Group has the secondary membership (二級會員資格) of Shanghai Gold Exchange and continued to develop the secondary gold sales agency business (黃金二級代理業務). The Group may place orders for bullion via the online trading platform of Shanghai Gold Exchange. After claiming the bullion, the Group may commission external factories to process into finished gold jewellery and wholesale to jewellery wholesalers.

The Group will continue to focus on developing its gold and jewellery business. With reference to its past sales experience, the Group intends to step up its efforts in identifying more jewellery wholesaler customers in South China, thereby expanding the sales channels of its secondary gold sales agency business (黃金二級代理業務). Meanwhile, the Group will put more efforts to raise the sales proportion to its major high-end corporate customers (which principally purchase or customize jewellery as corporate gifts/awards) so as to increase the jewellery sales as well as generate profits.

The revenue from the gold and jewellery business decreased by approximately HK\$17,118,000 from approximately HK\$88,928,000 for the year ended 31 March 2023 to approximately HK\$71,810,000 for the year ended 31 March 2024. The decrease in revenue from the gold and jewellery business for the year was mainly because of the decrease in the PRC. Going forward, the Group will try further effort to control the selling and administrative expenses while balancing the development of this business.

Property management services business

The Group had expanded into the property management services business in the second half of the financial year ended 31 March 2024 by acquiring a property management company, Shenzhen China Brilliant Property Services Company Limited* (深圳市朗華物業服務有限公司) (“**Shenzhen CBPS**”), which is mainly based in Shenzhen, the PRC. Such acquisition was to broaden the Group’s income sources. On 5 October 2023, Shenzhen CBPS became an indirect wholly-owned subsidiary of the Company.

As the IoT, big data and AI has been deeply integrated into the economy, digitalization is a new motivation for traditional industries to undergo upgrading and restructuring. Shenzhen CBPS is an enterprise which focuses on property management for the producer services industrial zone and provides IoT related technology development and solution. Shenzhen CBPS has accumulated certain technologies and experiences in this field and has applied such technologies and experiences to its customers through digitalization. The Platform currently includes 8 intelligent construction systems including the construction equipment monitoring system, security system, vehicle management system, intelligent lighting system, engine power environment system, intelligent service system, fire alarm system and power consumption monitoring system. The systems support daily operation monitoring and management in various dimensions and ultimately achieve scientific and intelligent management to boost operation efficiency.

Shenzhen CBPS engages in the provision of property management services that spans across different cities and regions of the PRC, with a total of 22 property management projects, involving large-scale industrial warehouses, residential quarters, industrial parks, commercial plazas, and other types of properties and IoT technology application platforms.

Shenzhen CBPS has completed the invention and optimization of an intelligent digital twin (“**DT**”) management system for the industrial zone, the clients SaaS management system and IoT BIM5 management platform, to launch an unified operation platform “Industrial Asset Management and IT Operation Service Platform” (the “**Platform**”), to provide customized services for its customers.

The revenue from the property management services business increased by approximately HK\$757,000 from approximately HK\$16,226,000 (restated) for the year ended 31 March 2023 to approximately HK\$16,983,000 for the year ended 31 March 2024. The increase in revenue was mainly increase in property management services. The development of this business resulted in profit in this segment.

* *for identification purpose only*

The intelligent industrial zone will be one of the long-term businesses of Shenzhen CBPS and DT is the new phrase of intelligent industrial zone development. It is the best measure and practice to materialize a precise industrial zone, efficient management and management services. In the future, Shenzhen CBPS will leverage on the accumulated experiences of 5G, AI and intelligent industrial zone operation, as well as the co-operation with ecological partners, to drive the industrial zone into the new era.

Also, the government of China has been encouraging the further development of the industry through cost reduction, this is a very promising opportunity for the Group and will provide higher return for the Company and its shareholders as a whole.

Lending business

The Group is engaged in the lending business in Hong Kong during the period under review. The Group will pay a closer attention to the market situation and the external economic environment and consider the possibility of further expansion in the lending business.

There were three major outstanding loan receivables with the Group in amounting to HK\$14,327,000 (before allowance for credit loss) as at 31 March 2024. All of them were carried out as part of the ordinary and usual course of business of the Group and brought in interest income to the Group.

The revenue from the lending business decreased by approximately HK\$709,000 from approximately HK\$3,170,000 for the year ended 31 March 2023 to approximately HK\$2,461,000 for the year ended 31 March 2024. The decrease in loan interest income mainly due to a decrease in borrowing amounts and a reduction in the number of borrowers.

The Group has conducted internal risk assessment on these loan arrangements and noted both of the borrowers have substantial investments and assets in the PRC which support their respective financial capability to repay the loans, thus no securities or collaterals was sought. The purpose of the loans is to enhance their short-term cash flow.

Fintech business

The Group commenced its fintech business in 2019.

Since October 2019, the Group has started preparations for its banking business at the Astana International Financial Centre (“**AIFC**”). On 4 December 2020, Astana Financial Services Authority (“**AFSA**”) granted Brillink Bank Corporation Limited (“**Brillink Bank**”) an approval-in-principle letter for a license to conduct regulated activities with non-retail banking customers under AIFC. Brillink Bank was officially established in AIFC on 25 December 2020 as an indirect non-wholly-owned subsidiary of the Company. On 26 March 2021, AFSA granted Brillink Bank a license to conduct regulated banking activities, including taking deposits, granting credits, advising on credit financing, arranging credit financing, and providing money services. On August 2021, Brillink Bank had completed the independent assessment of implementation of controls over the Core IT Banking System as well as technical assessments were conducted to validate the adequacy and effectiveness of the actual technical or security controls implemented. The fintech business had been started on the same time.

Despite efforts made during the past few years to seek further opportunities in this business, considering the challenging and volatile market situation for this business, the fintech business had been disposed on 5 October 2023.

FINANCIAL REVIEW AND OUTLOOK

Revenue

During the year, the Group is engaged in gold and jewellery trading, property management and value-added service, money lending and related business and fintech business.

As a result, the Group’s revenue for the year ended 31 March 2024 from the property management services business had steady growth, which was partially offset by the decline from the gold and jewellery business and lending business, representing a decrease of approximately 15.8% from approximately HK\$108,324,000 (restated) for the year ended 31 March 2023 to HK\$91,254,000 for the year ended 31 March 2024. The decrease was mainly due the decline in demand in the PRC from the gold and jewellery business.

Cost of sales and gross profit margin

Cost of sales of the Group decreased from approximately HK\$88,614,000 (restated) for the year ended 31 March 2023 to approximately HK\$72,408,000, for the year ended 31 March 2024, representing a decrease of approximately 18.3%. As the property management services business contributed a significant part of the revenue, which had a higher gross profit margin (2024: 93.4% and 2023: 95.7%), which was partially offset by lower gross margin in gold and jewellery business (2024: 0.7% and 2023: 1.1%), the overall gross profit margin increased from approximately 18.2% to 20.7% in current year.

Other gains and losses, net

Other gains and losses, net during the year amounted to a loss approximately HK\$683,000, which was decreased by approximately HK\$8,489,000 as compared with that of 2023 (restated: HK\$9,172,000). The decrease was mainly due to decrease in the fair value change of financial liabilities at fair value through profit or loss on 31 March 2024 as a result of offsetting the consideration of the disposal of Brillink Holdings Limited.

Selling expenses

The Group's selling expenses were approximately HK\$39,000 for the year ended 31 March 2024 decreased from approximately HK\$64,000 (restated) for the year ended 31 March 2023. The decrease was mainly attributable to the decrease the marketing and promotion expenditure of the gold and jewellery trading business.

Administrative expenses

Administrative expenses experienced an increase of approximately HK\$20,601,000 from approximately HK\$16,967,000 (restated) for the year ended 31 March 2023 to approximately HK\$37,568,000 for the year ended 31 March 2024 which was mainly due to an increase in one-off employees share award scheme expenses in amounting to HK\$20,503,000 for the year ended 31 March 2024.

Finance costs

The Group's finance costs experienced an increase of approximately HK\$382,000 from approximately HK\$102,000 for the year ended 31 March 2023 to approximately HK\$484,000 for the year ended 31 March 2024. The increase in such expenses was mainly due to increase in interest on amounts due to director.

Impairment losses recognised under expected credit loss model, net of reversal

Impairment losses recognised under expected credit loss model, net of reversal are approximately HK\$23,803,000 (2023 restated: HK\$4,056,000) for the year ended 31 March 2024, which included (i) amount due from former associate/an associate in amounting to HK\$3,659,000; (ii) amounts due from related companies in amounting to HK\$17,189,000; (iii) trade receivables in amounting to HK\$3,067,000; and (iv) loan receivables in amounting to HK\$112,000 (reversal).

Discontinued operation

On 2 June 2023, the Group and Mr. Zhang Chunhua (the “**Purchaser**”) entered into the sale and purchase agreement (“**SPA**”) (as supplemented by a supplemental agreement dated 4 September 2023). Pursuant to the SPA, the Purchaser has agreed to acquire and the Group has agreed to sell 18.9% issued share capital of Brillink Holdings Limited, and its subsidiaries, which is principally engaged in fintech business. The disposal of the fintech business is consistent with the Group’s long-term policy to focus its activities on the Group’s other operations.

The disposal was completed on 5 October 2023, on which date the Brillink Holdings Limited and its subsidiaries has ceased to be a subsidiary of the Company and has become financial assets at fair value through profit or loss of the Company.

Loss for the year ended 31 March 2024 from the discontinued operation from the period from 1 April 2023 to 5 October 2023 from fintech business approximately HK\$21,505,000 (from 1 April 2022 to 31 March 2023: HK\$31,346,000). The increased loss was mainly due to an increase in expenses for compliance and information technology compared with the same period.

As at 31 March 2024, the decrease of property, plant and equipment, right-of-use assets, intangible assets, cash and cash equivalents, other payables and accruals and deposits from customers mainly due to fintech business had been disposed on 5 October 2023.

Result for the year

The Group recorded a net loss of approximately HK\$76,095,000 for the year ended 31 March 2024, compared to a loss of approximately HK\$43,386,000 (restated) for the year ended 31 March 2023. The loss for the year mainly due to (i) significant increase in impairment losses recognised under expected credit loss model, net of reversal in amounting to HK\$23,803,000; (ii) loss from discontinued operation in amounting to HK\$21,505,000 and (iii) one-off employees share award scheme expenses in amounting to HK\$20,503,000.

Dividend

The Board do not recommend the payment of a dividend for the year ended 31 March 2024.

Financial assets at fair value through profit or loss

As at 31 March 2024, the fair value of unlisted equity securities represented the Group's equity interest in Brillink Holdings Limited amounting to approximately HK\$240,994,000 (as at 31 March 2023: nil). The fair value of investment retain arising on 5 October 2023 from Brillink Holdings Limited is approximately HK\$240,994,000.

Inventories

As at 31 March 2024, inventories decreased in amounting to HK\$2,681,000 (as at 31 March 2023 restated: HK\$16,816,000) mainly due to decrease of gold storage due to significant rise in international gold prices during the year and maintain a lower inventory level for forecasted demand.

Trade receivables

As at 31 March 2024, trade receivables decreased in amounting to HK\$435,000 (as at 31 March 2023 restated: HK\$5,559,000) mainly due to impairment losses recognised under expected credit losses model in amounting to HK\$3,067,000.

Loan receivables

As at 31 March 2024, loan receivables decreased in amounting to HK\$10,491,000 (as at 31 March 2023: HK\$71,898,000) mainly due to a decrease from loans and advances from fintech business which disposed on 5 October 2023. Loan receivables from the lending business (before allowance for credit losses) decreased to HK\$14,327,000 (2023: HK\$26,646,000) due to a decrease in loan demand from the borrowers.

Amount due from former associate/an associate

As at 31 March 2024, amount due from former associate/an associate decreased in amounting to HK\$1,235,000 (as at 31 March 2023 restated: HK\$4,583,000) mainly due to impairment losses recognised under expected credit losses model in amounting to HK\$3,659,000.

Amounts due from related companies

As at 31 March 2024, amounts due from related companies increased in amounting to HK\$85,986,000 (as at 31 March 2023 restated: HK\$15,242,000) mainly due to re-classification from Brillink Holdings Limited from the intergroup company (which was eliminated in the consolidated statement of financial position) to a related company. The amount due from Brillink Holdings Limited is approximately HK\$97,584,000, and the impairment losses recognised under expected credit losses model in amounting to HK\$17,189,000.

Contract liabilities

As at 31 March 2024, contract liabilities decreased in amounting to HK\$4,314,000 (as at 31 March 2023: HK\$18,700,000) mainly due to decrease from advance payments received from customers for sales of goods from gold and jewellery business.

Amounts due to directors

As at 31 March 2024, amounts due to directors increased in amounting to HK\$20,158,000 (as at 31 March 2023: nil). The amount due to Mr. Zhang with the amounts of approximately HK\$19,600,000 (2023: nil) is unsecured, interest-bearing at 2.5% per annum and repayable on demand. The remaining balances were due to Ms. Zhang is unsecured, interest-free and repayable on demand.

Total equity

As a results of the acquisition and disposal of subsidiaries, effect of which was partially reduced by loss for the year, as at 31 March 2024, the Group's a total equity increased by approximately HK\$257,930,000 to approximately HK\$324,092,000 (31 March 2023 restated: HK\$66,162,000).

Liquidity and financial resources

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally placed in deposits with banks.

As at 31 March 2024, total cash and cash equivalents of the Group amounted to approximately HK\$15,248,000 (as at 31 March 2023 restated: HK\$46,886,000). The decrease in total cash and cash equivalent was mainly due to (i) net cash outflow generated from disposal of subsidiaries in amounting to HK\$83,313,000, set off with (ii) net cash generated from operation in amounting to HK\$29,934,000 and, (iii) advance from directors in amounting to HK\$20,158,000.

Treasury policies and foreign currency exchange exposure

As most of the Group's trading transactions, monetary assets and liabilities are denominated in United States Dollar, Renminbi and Hong Kong Dollar, the impact of foreign exchange exposure to the Group was insignificant and there was no significant adverse effect on normal operations.

Cash is generally deposited at banks in the Republic of Kazakhstan, PRC and Hong Kong and denominated mostly in United States Dollar, Renminbi and Hong Kong Dollar. During the year ended and as at 31 March 2024, no related hedges were made by the Group (2023: nil).

Charges on Group's assets

The Group did not have any charges on assets as at 31 March 2024 and 31 March 2023.

Contingent liabilities

As at 31 March 2024, the Group had no material contingent liabilities (2023: nil).

Significant investments, acquisitions or disposals

Disposal of 18.9% shareholding in a subsidiary

The Company and Mr. Zhang Chunhua (the “**Purchaser**”) entered into the sale and purchase agreement (“**Disposal Agreement**”) dated 2 June 2023 (as supplemented by a supplemental agreement dated 4 September 2023). Pursuant to the Disposal Agreement, the Purchaser has agreed to acquire and the Company has agreed to sell 18.9% issued share capital of Brillink Holdings Limited, and its subsidiaries.

Acquisition of a property management company

Meanwhile, a wholly-owned subsidiary of the Company, CBG Services Holdings Limited (formerly named Hong Kong Million Group Limited) (the “**Acquisition Purchaser**”) and Shenzhen Pengyuan Smart Technology Company Limited (深圳市鵬遠智能科技有限公司) (the “**Acquisition Vendor**”) entered into the sale and purchase agreement (“**Acquisition Agreement**”) dated 2 June 2023. Pursuant to the Acquisition Agreement, the Acquisition Purchaser has agreed to acquire and the Acquisition Vendor has agreed to sell 100% equity interest of Shenzhen CBPS.

The consideration of the Disposal was settled by way of set-off against (i) the net assets of the property management service business; and (ii) the unsecured promissory note issued to Mr. Zhang with the outstanding principal amounts of US\$10,000,000 (equivalent to HK\$78,000,000) (the “**Promissory Note**”) and relevant interest payables due by the Company.

The Disposal Agreement and the Acquisition Agreement have been fulfilled and completion of the Acquisition and the Disposal both took place on 5 October 2023.

Except for the above disposals and acquisition, the Group does not have other material acquisition or disposal during the year ended 31 March 2024.

Capital structure and use of proceeds

Capital structure

The Company’s authorised, issued and fully paid share capital were as follows:

	Number of shares	Share capital HK\$’000
Authorised:		
As at 1 April 2023 and 31 March 2024 (<i>HK\$0.1 each</i>)	<u>2,500,000,000</u>	<u>250,000</u>
Issued and fully paid:		
As at 1 April 2023 and 31 March 2024 (<i>HK\$0.1 each</i>)	<u>1,457,238,414</u>	<u>145,724</u>

The Group's capital structure is sound with healthy working capital management. As at 31 March 2024, the Group's total equity amounted to approximately HK\$324,092,000, representing an increase of approximately 390% compared with that as at 31 March 2023 (restated: HK\$66,162,000). As at 31 March 2024, the Group's cash and cash equivalents totaled approximately HK\$15,248,000 (as at 31 March 2023 restated: HK\$46,886,000). The current ratio (note 1) and the quick ratio (note 2) of the Group as at 31 March 2024 was 2.99 (as at 31 March 2023: 2.52) and 2.92 (as at 31 March 2023 restated: 2.28) respectively. The gearing ratio (note 3) of the Group as at 31 March 2024 was 4.70% (as at 31 March 2023: 31.69%).

Apart from the above, there has been no material change in the capital structure of the Group during the year.

Notes:

- (1) Current Ratio = Current Assets ÷ Current Liabilities
- (2) Quick Ratio = (Current Assets — Inventories) ÷ Current Liabilities
- (3) Gearing Ratio = (Debts — Cash and cash equivalents) ÷ Total Equity

Use of proceeds

The use of proceeds had been fully utilised before 1 April 2023. There is not any proceeds had been received or utilised during the year ended 31 March 2024.

EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2024, the Group had a total of 36 employees (31 March 2023: 33 employees). Total staff costs from continuing operations for the year ended 31 March 2024 increased to approximately HK\$29,121,000 (2023: HK\$8,456,000 (restated)) mainly due to increase in one-off employees share award scheme expenses in amounting to HK\$20,503,000.

The Group's remuneration policy is basically determined by the performance of individual employees and Directors and the market condition. In addition to salaries and discretionary bonuses, employee benefits included medical schemes, pension contributions, share option schemes and staff training.

SHARE AWARD SCHEMES

CBG Share Award Scheme

The Company adopts and administers a share award scheme which is currently in force and effect for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

The share award scheme was approved by the shareholders at the annual general meeting of the Company held on 18 March 2024 (the "**CBG Share Award Scheme**") The CBG Share Award Scheme shall be valid and effective for a period of 10 years commencing on 18 March 2024.

The principal objectives of the CBG Share Award Scheme are (i) to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group and to reward the Eligible Participants who have achieved outstanding performance, and (ii) to provide the Eligible Participants with incentives, motivating them to optimise their performance and efficiency for the benefit of the Group and attracting and retaining the Eligible Participants.

On 20 March 2024, the Company had granted a total of 69,947,442 awards to certain Directors and employees of the Company pursuant to the CBG Share Award Scheme, of which 8,743,430 awards were granted to the Directors of the Company. The 61,204,012 awards represented the value of approximately HK\$20,503,000 with the closing price of HK\$0.335 per share on the date of grant. As at 31 March 2024, 8,743,430 awarded shares granted on 20 March 2024 were unvested, representing 0.6% of the issued share capital of the Company as at 31 March 2024.

SHARE OPTION SCHEMES

The current share option scheme was approved by the Shareholders at the annual general meeting of the Company held on 10 September 2021 (the “**2021 Scheme**”) in place of the previous share option scheme of the Company which was adopted in August 2011 and expired in August 2021 (the “**2011 Scheme**”). Options granted under the 2011 Scheme which remained outstanding are set out below.

The 2021 Scheme became effective for a period of 10 years commencing on 10 September 2021. Eligible participants of the 2021 Scheme include the employees and Directors of the Group, business partners, agents, consultants or advisers appointed by the Group. Under the 2021 Scheme, The subscription price for Shares under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of: (i) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (ii) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Share on the Offer Date. A nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an Option. An offer of the grant of an Option shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within twenty-one (21) days from the Offer Date (or such shorter period).

On 18 March 2024, the 2021 Scheme be and is hereby terminated upon the Share Award Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the share option scheme prior to the date hereof (if any)).

EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the year ended 31 March 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company's code of corporate governance practices was adopted with reference to the Corporate Governance Code (the "**CG Code**") and Corporate Governance Report ("**CG Report**") as contained in Appendix 15 to the GEM Listing Rules.

During the year under review, the Company has complied with the provisions of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. In response to specific enquiry made by the Company, each of the Directors gave confirmation that he complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the year ended 31 March 2024.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the maintenance of a sound and effective risk management and internal control systems of the Group in order to safeguard assets against unauthorized use or disposition, ensure maintenance of proper books and records for the provision of reliable financial information for internal use or publication, and ensure compliance with relevant legislations and regulations. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established a set of internal control policies and procedures. The management and various departments conduct periodic self-assessment of the effectiveness of the internal control policies and procedures. Besides, the Company has engaged an external independent internal control consultant to perform independent review on the adequacy and effectiveness of the risk management and internal controls systems (of the Group including material financial, operational, compliance controls) during the year under review.

During the year under review, the Board has conducted an annual review on the overall effectiveness of the Group's risk management and internal control systems. The external internal control consultant also reported to the Board on their factual findings and recommendation for improvements on the risk management and internal control system of the Group. The Board considers its risk management and internal control systems effective and adequate.

AUDIT COMMITTEE

The Company established an audit committee ("**Audit Committee**") on 7 March 2000 and has formulated and from time to time amended its written terms of reference in accordance with the provisions set out in the CG Code.

The primary duties of the Audit Committee include review and supervision of the Group's financial reporting system and risk management and internal control procedures, review of the Group's financial information and review of the Group's relationship with its auditors.

The Audit Committee comprises three independent non-executive Directors, namely Ms. Chan Mei Yan Hidy (Chairman of the Audit Committee), Ms. Huang Jingshu (appointed on 1 October 2023), Mr. Peng Yin (appointed on 1 October 2023), Ms. Lee Kwun Ling, May Jean (resigned on 1 October 2023) and Mr. Zhang Weidong (resigned on 1 October 2023).

The Group's audited financial statements for the year ended 31 March 2024 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Group’s auditor, Elite Partners CPA Limited (“**Elite**”) to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Elite 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 Engagements issued by the HKICPA and consequently no assurance has been expressed by Elite on this annual results announcement.

By Order of the Board
CHINA BRILLIANT GLOBAL LIMITED
Zhang Chunhua
Chairman

Hong Kong, 27 June 2024

As at the date of this announcement, the Board comprises the following directors:

Mr. Zhang Chunhua (Executive Director (Chairman))

Ms. Zhang Chunping (Executive Director and Chief Executive Officer)

Ms. Chan Mei Yan Hidy (Independent Non-executive Director)

Ms. Huang Jingshu (Independent Non-executive Director)

Mr. Peng Yin (Independent Non-executive Director)

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and the Company’s website at www.cbg.com.hk.