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## **GRAND BRILLIANCE GROUP HOLDINGS LIMITED**

**君百延集團控股有限公司**

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

**(Stock Code: 8372)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “HONG KONG STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Hong Kong Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given that the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Hong Kong Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

## ANNUAL RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2024, together with the comparative figures for the year ended 31 March 2023.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	5	<b>81,903</b>	76,701
Cost of revenue		<u>(39,962)</u>	<u>(37,189)</u>
<b>Gross profit</b>		<b>41,941</b>	39,512
Other income	6	<b>4,239</b>	1,475
Other gains or losses		<b>(910)</b>	338
Distribution and selling expenses		<b>(1,319)</b>	(1,209)
Administrative and other operating expenses		<b>(35,354)</b>	(30,470)
(Provision)/Reversal of loss allowance on trade receivables, net		<b>(18)</b>	79
Share of results of associates		<b>(263)</b>	(196)
Finance costs		<u>(106)</u>	<u>(152)</u>
<b>Profit before income tax</b>	7	<b>8,210</b>	9,377
Income tax expense	8	<u>(420)</u>	<u>(1,815)</u>
<b>Profit and total comprehensive income for the year</b>		<u><b>7,790</b></u>	<u>7,562</u>
<b>Profit and total comprehensive income for the year attributable to:</b>			
Equity shareholders of the Company		<b>7,855</b>	7,562
Non-controlling interests		<u>(65)</u>	<u>–</u>
<b>Profit and total comprehensive income for the year</b>		<u><b>7,790</b></u>	<u>7,562</u>
		<i>HK cent(s)</i>	<i>HK cent(s)</i>
<b>Earnings per share</b>	10		
Basic and diluted earnings per share		<u><b>0.98</b></u>	<u>0.95</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,918	731
Interests in associates		1,122	1,385
Other asset		2,690	2,690
Financial assets at fair value through profit or loss		2,792	3,187
Deposits		–	832
Right-of-use assets		1,778	4,673
Deferred tax assets		–	109
		<b>10,300</b>	13,607
<b>Current assets</b>			
Inventories		24,500	22,153
Financial assets at fair value through profit or loss		478	773
Trade and other receivables, deposits and prepayments	<i>11</i>	18,203	17,630
Tax recoverable		1,026	–
Cash and cash equivalents		59,988	61,085
		<b>104,195</b>	101,641
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	9,404	10,943
Contract liabilities		375	760
Tax payable		11	420
Lease liabilities		1,429	3,766
		<b>11,219</b>	15,889
<b>Net current assets</b>		<b>92,976</b>	85,752
<b>Total assets less current liabilities</b>		<b>103,276</b>	99,359
<b>Non-current liabilities</b>			
Lease liabilities		–	688
<b>Net assets</b>		<b>103,276</b>	98,671
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>13</i>	8,000	8,000
Reserves		95,326	90,671
Equity attributable to the owners of the Company		<b>103,326</b>	98,671
Non-controlling interests		(50)	–
<b>Total equity</b>		<b>103,276</b>	98,671

## **NOTES**

*For the year ended 31 March 2024*

### **1. GENERAL INFORMATION**

Grand Brilliance Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands with limited liability under the Companies Law, Cap. 22 of the Cayman Islands on 5 July 2017. Its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 29 March 2018. 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 2901–2903 and 2905, 29/F, The Octagon, 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred hereafter as the “Group”) are principally engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance.

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

### **2. BASIS OF PREPARATION**

#### **(a) Statement of compliance**

The Group’s consolidated financial statements have been prepared in accordance with HKFRSs which collective term include individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

#### **(b) Basis of measurement**

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below.

#### **(c) Functional and presentation currency**

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and its major subsidiaries.

### 3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (a) Adoption of new/revised HKFRSs — effective on 1 April 2023

The following new/revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s consolidated financial statements for annual period beginning on 1 April 2023:

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

Except as disclosed below, the adoption of the above new or amendments to HKFRSs that are effective for the current reporting period did not have any significant impact on the Group’s financial statements.

#### *Disclosure of Accounting Policies — Amendments to HKAS 1 and HKFRS Practice Statement 2*

The HKICPA issued HKFRS Practice Statement 2 Making Materiality Judgements in March 2021 to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. In April 2021, the HKICPA issued amendments to HKAS 1 and HKFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose “significant accounting policies” with “material accounting policy information”. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

#### (b) New HKICPA guidance on accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) was gazetted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers’ mandatory contributions under the mandatory provident fund (“MPF”) to offset severance payment (“SP”) and long service payments (“LSP”) (the “Abolition”). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 (the “Transition Date”). The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers’ mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.
- The pre-transition LSP/SP is calculated using the last month’s salary immediately preceding the Transition Date, instead of using the salary of employment termination date.

Due to the complexities of the accounting for the offsetting of employer’s MPF contributions and its LSP obligation and hence the impact arising from the Abolition, in July 2023 the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “Guidance”) to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches, being:

Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee’s LSP benefits in terms of Hong Kong Accounting Standard 19.93(a)

Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 March 2023 and 2024, the Group’s LSP liability after the expected offsetting under the MPF-LSP offsetting mechanism is immaterial and the directors of the Company consider that the application of the Guidance had no material effect on the consolidated financial statements of the Group.

**(c) Revised HKFRSs that have been issued but are not yet effective**

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

Amendments to HKAS 1	Non-current liabilities with covenants <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
HK Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKFRS 16	Lease Liabilities in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the possible impact of these new or revised standards on the Group’s results and financial position in the first year of application. They consider that these new or revised HKFRSs are not expected to have a material impact on the Group’s financial statements.

#### 4. SEGMENT INFORMATION

##### (a) Operating segment information

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

During the reporting period, 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. As a result, no separate segmental analysis is presented.

##### (c) Disaggregation of revenue from contracts with customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Timing of revenue recognition</b>		
Over time	2,107	2,201
At a point in time	<u>79,640</u>	<u>74,344</u>
	<u><u>81,747</u></u>	<u><u>76,545</u></u>

##### (d) Information about major customers

Revenue from major customers individually contributing 10% or more of the Group's total revenue is set out as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	10,453	N/A
Customer B	<u>9,228</u>	<u>N/A</u>

*Note:* N/A represents that the amounts of revenue from such customer is less than 10% of total revenue for the year ended 31 March 2023.

## 5. REVENUE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers:		
Sales of medical devices and products		
Medical consumables	54,985	55,061
Medical equipment	22,899	17,476
Medical instruments	1,756	1,807
	79,640	74,344
Rendering of maintenance services	2,107	2,201
	81,747	76,545
Revenue from other source:		
Rental income from leasing medical devices	156	156
	81,903	76,701

## 6. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	1,661	438
Government grants ( <i>note</i> )	2,510	1,022
Dividend income	18	15
Gain on disposal of property, plant and equipment	50	–
	4,239	1,475

*Note:* During the year ended 31 March 2024, the Group was granted subsidies of HK\$2,510,000 in total which include HK\$720,000 under Research Talent Hub of the Innovation and Technology Fund for supporting the payroll of the research talent and HK\$1,712,000 under Enterprise Support Scheme for conducting research and development. As at 31 March 2024, the Group had complied with the relevant requirements set out under respective subsidies.

During the year ended 31 March 2023, the Group was granted subsidies of HK\$814,000 under the Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Government of the Hong Kong Special Administrative Region for supporting the payroll of the Group’s employees during the year ended 31 March 2023. The Group had complied with the relevant requirements in the year 2023.



## 7. PROFIT BEFORE INCOME TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	600	590
Cost of inventories recognised as expense		
— Carrying amount of inventories sold	39,673	36,587
— Write-off of inventories	—	653
— Allowance/(Reversal of allowance) for inventories	289	(51)
	<u>39,962</u>	<u>37,189</u>
Changes in fair value of financial assets at fair value through profit or loss	690	(152)
Depreciation of property, plant and equipment*	617	389
Depreciation of right-of-use assets*	3,999	3,977
Employee costs (including directors' emoluments)		
— Salaries, allowances and other benefits	20,615	17,882
— Contributions to defined contribution retirement plan <sup>&lt;</sup>	550	496
	<u>21,165</u>	<u>18,378</u>
Exchange loss/(gain), net	220	(186)
Research and development expenditure <sup>#</sup>	<u>4,080</u>	<u>2,481</u>

\* Included in administrative and other operating expenses

# Included in research and development expenditure are staff costs amounted to approximately HK\$4,053,000 (2023: HK\$2,468,000) which are included in the employee costs above

< For the year ended 31 March 2024, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (2023: nil). As at 31 March 2024, no forfeited contribution under these plans is available to reduce future contribution (2023: nil)

## 8. INCOME TAX EXPENSE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax for the year		
— Hong Kong Profits Tax	352	1,856
Over-provision in respect of prior years	<u>(41)</u>	<u>—</u>
	311	1,856
Deferred tax	<u>109</u>	<u>(41)</u>
	<u><u>420</u></u>	<u><u>1,815</u></u>

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%.

## 9. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend declared and paid during the financial year — HK0.4 cent (2023: HK0.3 cent) per ordinary share	<u><u>3,200</u></u>	<u><u>2,400</u></u>

Subsequent to the end of the reporting period, an interim dividend of HK0.25 cent (2023: HK0.4 cent) per ordinary share, totally amounting to HK\$2,000,000 (2023: HK\$3,200,000) was declared by the directors in respect of the reporting period. The interim dividend declared after the end of the reporting period was not recognised as a liability at the end of the reporting period as it had not been approved by the board of directors of the Company as at the end of the reporting period.

## 10. EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company	<u>7,855</u>	<u>7,562</u>
	<i>'000</i>	<i>'000</i>
<b>Weighted average number of ordinary shares in issue</b>		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted earnings per share	<u>800,000</u>	<u>800,000</u>

For the purpose of calculating diluted earnings per share for the years ended 31 March 2024 and 2023, no adjustment has been made as the exercise of the outstanding share options has an anti-dilutive effect of the basic earnings per share.

## 11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	15,414	17,156
Less: Allowance for impairment	<u>(1,471)</u>	<u>(1,453)</u>
Trade receivables, net	13,943	15,703
Other receivables	1,383	405
Deposits and prepayments	<u>2,877</u>	<u>1,522</u>
	<u>18,203</u>	<u>17,630</u>

The credit period granted to customers ranged from 0 to 30 days.

As at 31 March 2024 and 2023, the allowance for impairment on trade receivables has been recognised in accordance with the simplified approach, i.e. lifetime ECLs set out in HKFRS 9.

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

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–30 days	<b>5,797</b>	9,691
31–60 days	<b>2,433</b>	4,948
61–90 days	<b>294</b>	536
Over 90 days	<b>5,419</b>	528
	<u><b>13,943</b></u>	<u>15,703</u>

## 12. TRADE AND OTHER PAYABLES

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>3,875</b>	5,969
Accruals and other payables	<b>5,529</b>	4,974
	<u><b>9,404</b></u>	<u>10,943</u>

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

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

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–30 days	<b>2,866</b>	3,236
31–60 days	<b>131</b>	723
61–90 days	<b>112</b>	485
Over 90 days	<b>766</b>	1,525
	<u><b>3,875</b></u>	<u>5,969</u>

### 13. SHARE CAPITAL

Ordinary shares	Number of shares	Amount <i>HK\$'000</i>
<b>Authorised:</b> Ordinary shares of HK\$0.01 each		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>8,000,000,000</u>	<u>80,000</u>
<b>Issued and fully paid:</b> Ordinary shares of HK\$0.01 each		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>800,000,000</u>	<u>8,000</u>

### 14. GUARANTEES

The Group provided guarantees in respect of the surety bonds issued by a bank in favour of the customers of certain tender contracts. Details of these guarantees at the end of the reporting period are as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Aggregate value of the surety bonds issued in favour of customers	<u>1,192</u>	<u>1,192</u>

The surety bonds are required for the entire period of the relevant tender contracts. As at 31 March 2024, majority of the tender contracts are expected to be completed by 2025 (2023: year 2025).

As assessed by the directors, it is highly not probable that the bank would claim the Group for losses in respect of the guarantee contracts as it is highly unlikely that the Group is unable to fulfill the performance requirements of the relevant contracts. Accordingly, the management did not expect these guarantees to have significant impact on the financial statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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.

### **BUSINESS REVIEW**

For the year ended 31 March 2024, 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 enhance our research and development ability. We have established a non-wholly owned subsidiary in Macau with registered capital of Macanese pataca (MOP) 50,000 during the year for expanding our business in Macau. The estimated investment cost will be approximately HK\$300,000.

For the year ended 31 March 2024, with the COVID-19 pandemic (the "Pandemic") no longer a public health emergency and the border reopened after an extended period, economic and social activities in Hong Kong are steadily resuming as much anticipated. However, in the aftermath of the Pandemic, the general operating environment remained uncertain and overall productivity remained low.

Looking ahead, 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 6.8%, from approximately HK\$76.7 million for the year ended 31 March 2023 to approximately HK\$81.9 million for the year ended 31 March 2024. The increase was primarily attributable to the increase in revenue generated from medical equipment by the economic recovery from the lifted of COVID-19 restrictions.

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

The Group recorded gross profit of approximately HK\$41.9 million for the year ended 31 March 2024, representing an increase by approximately HK\$2.4 million or 6.1%, as compared to approximately HK\$39.5 million for the year ended 31 March 2023. Gross profit margin decreased from approximately 51.5% for the year ended 31 March 2023 to approximately 51.2% for the year ended 31 March 2024. The decrease in gross profit margin was mainly due to change in product mix.

## **Administrative and other operating expenses**

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

Administrative and other operating expenses for the year ended 31 March 2024 amounted to approximately HK\$35.4 million, representing an increase by approximately HK\$4.9 million or 16.0%, as compared to approximately HK\$30.5 million for the year ended 31 March 2023. The increase was primarily attributable to the increase in marketing activities and general increase in wages of the Group.

## **Income tax expenses**

Income tax expenses for the year ended 31 March 2024 amounted to approximately HK\$0.4 million (2023: approximately HK\$1.8 million). The decrease was primarily attributable to a tax planning among the Group companies adopted during the year.

## **Profit for the year**

The Group's profit increased by approximately HK\$0.2 million from approximately HK\$7.6 million for the year ended 31 March 2023 to approximately HK\$7.8 million for the year ended 31 March 2024. The increase was primarily attribute to increase in revenue and less increase in administrative and other operating expenses as explained above.

## **DIVIDEND**

The Board has declared the payment of an interim dividend of HK0.25 cent (2023: HK0.4 cent) per ordinary share in lieu of final dividend for the year ended 31 March 2024. It is expected that the interim dividend will be paid on or before Monday, 12 August 2024 to the shareholders of the Company whose name appear on the register of members on Friday, 19 July 2024.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Liquidity**

As at 31 March 2024, current assets amounted to approximately HK\$104.2 million (2023: approximately HK\$101.6 million). Current liabilities were approximately HK\$11.2 million (2023: approximately HK\$15.9 million).

### **Financial Resources**

As at 31 March 2024, the Group had total cash and bank balances of approximately HK\$60.0 million (2023: approximately HK\$61.1 million).

As at 31 March 2024, the Group had trade receivables of approximately HK\$13.9 million (2023: approximately HK\$15.7 million).

### **Gearing Ratio**

The gearing ratio of the Group as at 31 March 2024 was nil (2023: nil) as the Group had no material debt financing.

## **CAPITAL STRUCTURE**

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

As at 31 March 2024, the Company's issued share capital was HK\$8,000,000 and the number of issued ordinary shares was 800,000,000 of HK\$0.01 each. Details of the Group's share capital are set out in note 13 in this announcement.

## **COMMITMENTS**

As at 31 March 2024, the Group did not have any significant capital commitments (2023: nil).

## **SEGMENT INFORMATION**

Segment information is disclosed in note 4 in this announcement.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the prospectus of the Company dated 19 March 2018 (the "Prospectus") and as set out in the announcement of the Company dated 24 November 2021 (the "Announcement"), the Group did not have other plans for material investments and capital assets.



## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 March 2024.

## **SIGNIFICANT INVESTMENTS**

As at 31 March 2024, there was no significant investment held by the Group (2023: nil).

## **CONTINGENT LIABILITIES**

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

## **FOREIGN EXCHANGE EXPOSURE**

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

## **CHARGE OF GROUP’S ASSETS**

No pledged bank deposits was placed in bank to secure the banking facilities of the Group as at 31 March 2024 and 2023.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2024, the Group has a total of 46 employees (2023: 41 employees). Staff costs, including Directors’ remuneration, of the Group were approximately HK\$21.2 million for the year ended 31 March 2024 (2023: approximately HK\$18.4 million). Remuneration is determined with reference to factors such as comparable market salaries and work performance, qualification and experience of individual employees. In addition to a basic salary, year-end discretionary bonuses are offered to employees with outstanding performance to attract and retain eligible employees to contribute to the Group.

## COMPARISON OF BUSINESS STRATEGIES AND ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress up to 31 March 2024.

### Business objectives as stated in the Prospectus

### Actual business progress up to 31 March 2024

Further penetrate the medical device market and enhance the market share

The Group has been participating in various local and international trade shows, exhibitions including Hospital Authority Convention, Hong Kong International Medical and Healthcare Fair and Pediatric Society Annual Scientific Meeting.

The Group has re-designed and enhanced our website to include an e-commerce platform to serve our retail customers online.

The Group has purchased samples of medical devices for display in our showroom for our customers' inspection before ordering.

Expand the workforce

The Group has recruited and retained seven product representatives, two engineers, one warehouse staff, two R&D staff, one administration staff, two marketing staff and one accounting staff.

Selectively pursue opportunities for strategic acquisitions

The Group is in the process of identifying potential acquisition target with prudence.

Enhance the research and development and product development effort

The Group has recruited two software engineer to strengthen our product research and development capability and researching certain medical and healthcare automation solutions.

The Group has purchased some new hardware and software for research and development purpose.

Upgrade the information technology systems

The Group has purchased some new hardware and software and engaged an independent consultant to implement an enterprise resources planning system and upgrade the information technology infrastructure.

Maximise the warehouse space, establish the showroom and upgrade the functionality of office space

The Group has established a new showroom and installed racks to fully utilise the vertical space of our warehouses.

## USE OF PROCEEDS

The actual net proceeds from the Share Offer, after deducting the listing-related expenses, were approximately HK\$31.2 million, compared to the estimated net proceeds of approximately HK\$33.1 million as disclosed in the Prospectus. The difference of HK\$1.9 million between the actual and estimated amount of the net proceeds has been adjusted in the same manner as stated in the Prospectus.

As set out in the Announcement, the Board resolved to change in the use of unutilised net proceeds as of 24 November 2021.

As at 31 March 2024, the net proceeds had been applied and utilised as follows:

<b>Intended use of proceeds</b>	<b>Unutilised proceeds as at 31 March 2023 <i>HK\$ million</i></b>	<b>Utilised proceeds during the year ended 31 March 2024 <i>HK\$ million</i></b>	<b>Unutilised proceeds as at 31 March 2024 <i>HK\$ million</i></b>	<b>Expected timeline of full utilisation of the balance</b>
General working capital	1.9	1.9	–	N/A
Develop own brand autonomous mobile robot solution to reduce the medical manpower shortage	4.0	3.6	0.4	By end of 30 June 2024
	<u>5.9</u>	<u>5.5</u>	<u>0.4</u>	

The business objectives, future plans and planned use of proceeds as stated in the Prospectus and the Announcement were based on the best estimation and assumption of the future market conditions made by the Group at the time of preparing the Prospectus and the Announcement, while the proceeds were applied based on the actual development of the Group's business and the market.

The discrepancy between the planned use of the net proceeds and the actual use mainly arose as a result of the actual market conditions affecting the Group. The continuing trade conflict between the U.S. and the PRC, the PRC's gradual economic slowdown and the outbreak of coronavirus (COVID-19) epidemic have presented the Group with uncertainties and multiple challenges, rendering the need for the Group to be prudent in implementing its future plans as set out in the Prospectus and the Announcement.

The Group intends to apply the net proceeds in the manner as stated in the Prospectus and the Announcement. However, the Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

The unused net proceeds have been deposited in licensed banks in Hong Kong.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## **CORPORATE GOVERNANCE PRACTICE**

The Board is committed to maintaining robust corporate governance.

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

The Group has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") as set out in the Appendix C1 to the GEM Listing Rules. The Board considers that the Group has complied with the all code provisions, except for code provision C.2.1 of the CG Code as mentioned below, for the financial year ended 31 March 2024.

Code provision C.2.1 of the CG Code provides that the role of Chairman and chief executive officer should be separate and should not be performed by the same individual.

For the financial year ended 31 March 2024, the role of Chairman is performed by the CEO, Ms. Wong Bik Kwan Bikie. As the Chairman of the Board, Ms. Wong is responsible for the formulating, planning and directing the Group's overall strategy and always seeks for Board approval for any significant decisions and transactions.

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

## **Directors' Securities Trading Transactions**

The Group has adopted a code of conduct set out in the “required standard of dealings” in Rules 5.48 to 5.67 of the GEM Listing Rules.

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

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

## **ANNUAL GENERAL MEETING**

The annual general meeting (the “AGM”) of the Company will be held on Wednesday, 11 September 2024, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

## **CLOSURE OF THE REGISTER OF MEMBERS**

### **(A) Entitlement to Interim Dividend**

For the purpose of determining Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 17 July 2024 to Friday, 19 July 2024, both days inclusive, during which period no transfer of Shares will be registered. The record date will be Friday, 19 July 2024. In order to qualify for the entitlement of the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 16 July 2024.

### **(B) Entitlement to Attend and Vote at the AGM**

For the purpose of determining Shareholders' entitlement to attend and vote at the forthcoming AGM to be held on Wednesday, 11 September 2024, the register of members of the Company will be closed from Friday, 6 September 2024 to Wednesday, 11 September 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 5 September 2024.

## **DONATIONS**

Donations of approximately HK\$0.8 million were made by the Group during the year.

## **AUDIT COMMITTEE**

The Board has complied with the provisions of the CG Code set out in Appendix C1 to the GEM Listing Rules and established the Audit Committee on 1 March 2018. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and on the Company’s website.

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

Mr. Mui Wai Sum (appointed on 18 September 2023)	Chairman of Audit Committee & Independent non-executive Director
Mr. Chow Ming Po Aaron	Independent non-executive Director
Dr. Miu Yin Shun Andrew	Non-executive Director
Mr. Wong Lung Wo James (ceased to act as chairman and member on 18 September 2023)	Former Chairman of Audit Committee & Independent non-executive Director

The audited annual results of the Group for the year ended 31 March 2024 have been reviewed by the Audit Committee.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group’s consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2024 as set out in this annual results announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 March 2024. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this announcement.

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

Hong Kong, 28 June 2024

*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. Chow Ming Po Aaron and Mr. Mui Wai Sum.*

*This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for at least seven days from the date of its publication and the website of the Company ([www.grandbrilliancegroup.com](http://www.grandbrilliancegroup.com)).*