CHINA BRILLIANT GLOBAL LIMITED
朗華國際集團有限公司*

(formerly known as Prosten Health Holdings Limited 長達健康控股有限公司)*
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8026)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 Prosten Health Holdings 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 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 2018 amounted to approximately HK$64,739,000, representing an increase of approximately HK$34,484,000 as compared to last year.

- The Group's gross profit for the year ended 31 March 2018 was approximately HK$8,261,000, increased by approximately HK$1,696,000 as compared to last year.

- The Group recorded a profit of approximately HK$23,318,000 for the year ended 31 March 2018, compared to loss of approximately HK$23,692,000 for the year ended 31 March 2017 mainly due to gain on disposal of the Group's discontinued operation.

- The Board does not recommend the payment of any dividend for the year ended 31 March 2018.

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 2018 together with the comparative audited figures for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** ***HK$'000***	2017 *HK$'000*
Continuing operations			
Revenue	*6*	**64,739**	30,255
Cost of sales		**(56,478)**	(23,690)
Gross profit		**8,261**	6,565
Other income and gains	*6*	**92**	299
Selling expenses		**(3,460)**	(3,569)
Administrative expenses		**(23,303)**	(24,618)
Other expenses		**(2)**	(39)
Gain arising on change in fair value less cost to sell of biological assets		**–**	646
Finance costs	*7*	**(16)**	(539)
Share of loss of an associate		**(710)**	(195)
Impairment loss recognised in respect of goodwill		**(413)**	–
Gain on disposal of subsidiaries		**1,371**	–
Loss before tax	*8*	**(18,180)**	(21,450)
Income tax expense	*9*	**(272)**	(35)
Loss for the year from continuing operations		**(18,452)**	(21,485)
Discontinued operation			
Profit/(loss) for the year from discontinued operation	*11*	**41,770**	(2,207)
Profit/(loss) for the year		**23,318**	(23,692)

	Note	2018 *HK$'000*	2017 *HK$'000*
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**4,102**	(2,844)
Reclassification adjustments relating to foreign operations disposed of during the year		**(13,169)**	–
Net loss on revaluation of available-for-sale financial assets		**(1,583)**	(5,177)
Other comprehensive loss for the year, net of tax		**(10,650)**	(8,021)
Total comprehensive income/(loss) for the year		**12,668**	(31,713)
Profit/(loss) for the year attributable to:			
– Owners of the Company		**23,329**	(23,657)
– Non-controlling interest		**(11)**	(35)
		23,318	(23,692)
Total comprehensive income/(loss) for the year attributable to:			
– Owners of the Company		**12,679**	(31,678)
– Non-controlling interest		**(11)**	(35)
		12,668	(31,713)
Profit/(loss) for the year attributable to owners of the Company arising from:			
– Continuing operations		**(18,441)**	(21,450)
– Discontinued operation		**41,770**	(2,207)
		23,329	(23,657)
Earnings/(loss) per share from continuing and discontinued operation	*10*		
Basic		**HK1.93 cents**	(HK2.09) cents
Diluted		**HK1.93 cents**	(HK2.09) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2018

	Note	**2018**	2017
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,687**	5,799
Investment property		**12,299**	4,391
Long-term prepaid rentals		**–**	1,093
Available-for-sale financial assets		**15,000**	16,583
Goodwill		**4,679**	5,092
Interest in an associate		**–**	2,068
Prepayment		**156**	–
Total non-current assets		**33,821**	35,026
CURRENT ASSETS			
Inventories		**14,951**	14,946
Biological assets		**–**	699
Current portion of long-term prepaid rentals		**–**	95
Trade receivables	*12*	**46,956**	37,186
Prepayments, deposits and other receivables		**6,793**	6,252
Prepaid tax		**–**	157
Financial assets at fair value through profit or loss		**–**	600
Due from related companies		**–**	34
Cash and cash equivalents		**10,341**	8,738
		79,041	68,707
Non-current asset classified as held for sale		**1,538**	–
Total current assets		**80,579**	68,707
CURRENT LIABILITIES			
Trade payables	*13*	**19,274**	3,859
Other payables and accruals		**5,279**	5,882
Due to a then non-executive director		**–**	668
Due to a then ultimate holding company		**–**	142
Due to De-consolidated Subsidiaries		**–**	18,322
Borrowing		**1,932**	–
Tax payable		**65**	–
Total current liabilities		**26,550**	28,873

	Note	2018 HK$'000	2017 HK$'000
NET CURRENT ASSETS		**54,029**	39,834
TOTAL ASSETS LESS CURRENT LIABILITIES		**87,850**	74,860
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**–**	169
Convertible note		**–**	–
Total non-current liabilities		**–**	169
NET ASSETS		**87,850**	74,691
EQUITY			
Equity attributable to owners of the Company			
Share capital		**121,096**	120,826
Reserves		**(33,246)**	(46,100)
Equity attributable to owners of the Company		**87,850**	74,726
Non-controlling interest		**–**	(35)
TOTAL EQUITY		**87,850**	74,691

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2018

	Attributable to owners of the Company										
	Share capital	Share premium account *(note a)*	Statutory reserve fund *(note b)*	Available-for-sale financial assets equity reserve *(note c)*	Foreign currency translation reserve *(note d)*	Share option reserve *(note e)*	Convertible note equity reserve *(note f)*	Accumulated losses	Reserves sub-total	Non-controlling interest	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2016	109,536	455,438	3,349	6,760	14,766	316	–	(519,211)	(38,582)	–	70,954
Loss for the year	–	–	–	–	–	–	–	(23,657)	(23,657)	(35)	(23,692)
Other comprehensive loss for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	(2,844)	–	–	–	(2,844)	–	(2,844)
Net loss on revaluation of available-for-sale financial assets	–	–	–	(5,177)	–	–	–	–	(5,177)	–	(5,177)
Total comprehensive loss for the year	–	–	–	(5,177)	(2,844)	–	–	(23,657)	(31,678)	(35)	(31,713)
Equity component of a convertible note	–	–	–	–	–	–	4,560	–	4,560	–	4,560
Deferred tax arising on issue of a convertible note	–	–	–	–	–	–	(752)	–	(752)	–	(752)
Issue of shares on conversion of a convertible note	11,290	24,160	–	–	–	–	(3,808)	–	20,352	–	31,642
At 31 March 2017 and at 1 April 2017	120,826	479,598	3,349	1,583	11,922	316	–	(542,868)	(46,100)	(35)	74,691
Profit for the year	–	–	–	–	–	–	–	23,329	23,329	(11)	23,318
Other comprehensive loss for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	4,102	–	–	–	4,102	–	4,102
Reclassification adjustments relating to foreign operations disposed of during the year	–	–	–	–	(13,169)	–	–	–	(13,169)	–	(13,169)
Net loss on revaluation of available-for-sale financial assets	–	–	–	(1,583)	–	–	–	–	(1,583)	–	(1,583)
Total comprehensive loss for the year	–	–	–	(1,583)	(9,067)	–	–	23,329	12,679	(11)	12,668
Exercise of share options	270	491	–	–	–	(316)	–	–	175	–	445
Disposal of subsidiaries	–	–	(3,348)	–	–	–	–	3,348	–	46	46
At 31 March 2018	**121,096**	**480,089**	**1**	**–**	**2,855**	**–**	**–**	**(516,191)**	**(33,246)**	**–**	**87,850**

Notes:

(a) Share premium account

Under the Companies Law (2001 Revision) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) Statutory reserve fund

Pursuant to the relevant laws and regulations for business enterprises in the People's Republic of China (the "PRC"), a portion of the profits of the entities which are registered in the PRC has been transferred to the statutory reserve fund which is restricted as to use. When the balance of such reserve fund reaches 50% of the capital of that entity, any further appropriation is optional. The statutory reserve fund can be utilised, upon approval of the relevant authority, to offset prior years' losses or to increase capital. However, the balance of the statutory reserve fund must be maintained at least 25% of capital after such usage.

(c) Available-for-sale financial assets equity reserve

Available-for-sale financial assets equity reserve relates to the cumulative gains or losses arising on the change in fair value of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those financial assets are disposed or impaired.

(d) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or de-consolidation of the foreign operations.

(e) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised. The amount will be transferred to the share premium account when the related options are exercised, and will be transferred to accumulated losses should the related options expire or be forfeited.

(f) Convertible note equity reserve

The amount represented the equity component of a convertible note issued.

NOTES

For the year ended 31 March 2018

1. GENERAL INFORMATION

The Company 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 Unit 715, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on GEM of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). At 31 March 2018, its ultimate parent is Brilliant Chapter Limited, a company incorporated in Republic of Seychelles with limited liabilities and owned by Mr. Zhang Chun Hua ("Mr. Zhang") and Source Mega Limited which acts as nominee of Ms. Zhang Chun Ping ("Ms. Zhang"). Both Mr. Zhang and Ms. Zhang are the directors of the Company and Mr. Zhang is the brother of Ms. Zhang.

Pursuant to a special resolution passed on 28 May 2018, the English name of the Company changed from "Prosten Health Holdings Limited" to "China Brilliant Global Limited" and the dual foreign name in Chinese of the Company changed from "長達健康控股有限公司" to "朗華國際集團有限公司".

The principal activities of the Company and its subsidiaries (the "Group") are wholesale and retailing of jewellery, money lending and distribution and retailing of chinese herbal medicine and drugs.

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. The Group's major subsidiaries are operating in the People's Republic of China (the "PRC") with Renminbi ("RMB") as their functional currency. The directors consider that it is more appropriate to present the consolidated financial statements in HK$ as the shares of the Company are listed on the Stock Exchange.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations 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 (the "GEM Listing Rules") on GEM of the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for biological assets, available-for-sale financial assets and financial assets at fair value through profit or loss which have been 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. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

De-consolidation of certain subsidiaries

Despite the Board have made repeated verbal and written requests (including legal letter), the Board had been unable to access the complete set of books and records together with the supporting documents of certain subsidiaries incorporated in Shanghai (the "De-consolidated Subsidiaries") since 1 January 2016 for the purpose of, among others, preparing the Group's consolidated financial statements for the year ended 31 March 2016.

As a result, the Board considered that the Company was unable to govern the De-consolidated Subsidiaries, and the control over these subsidiaries was lost. Hence, the Group had de-consolidated the financial results, assets and liabilities of the De-consolidated Subsidiaries from the consolidated financial statements of the Group since 1 January 2016 ("De-consolidation"). The De-consolidation has resulted in the recognition of a net loss on De-consolidation of subsidiaries of approximately HK$10,555,000 in the consolidated profit or loss of the Group in the financial year ended 31 March 2016.

During the year ended 31 March 2018, the Directors continued to take all reasonable steps and use its best endeavours to protect interests of the Group by trying to resolve the above matters.

On 2 June 2017 (after trading hours), the Company entered into a disposal agreement for the disposal of the entire issued share capital of Prosten (BVI) Limited (together with the relevant shareholders' loans owed to the Group) which indirectly held the entire issued share capital of the De-consolidated Subsidiaries (the "Disposal"). The Disposal was completed on 5 June 2017.

The following tables set out the financial information of the De-consolidated Subsidiaries.

Financial result

The followings are the unaudited financial results of the De-consolidated Subsidiaries for the nine months ended 31 December 2015 included in consolidated profit or loss and other comprehensive income of the Group in the year ended 31 March 2016.

For the nine months ended 31 December 2015

	Unaudited *HK$'000*
Revenue	5,061
Loss for the period attributable to owners of the Company	(4,203)

Assets and liabilities

The followings are the unaudited carrying amounts of assets and liabilities of the De-consolidated Subsidiaries immediately before the De-consolidation on 1 January 2016, and the effect of impairment of investment costs and amounts due from the De-consolidated Subsidiaries are set out below.

Immediate before De-consolidation on 1 January 2016

	Unaudited *HK$'000*
Net liabilities de-consolidated:	
Property, plant and equipment	1,158
Investment property	4,832
Available-for-sale financial assets	399
Amounts due from the Group	12,580
Goodwill	–
Trade receivables	2,270
Prepayments, deposits and other receivables	1,790
Due from a then director	33
Cash and cash equivalents	1,773
Trade payables	(6,672)
Amounts due to the Group	(49,967)
Other payables and accruals	(6,076)
Tax payables	(3,218)
Interest-bearing borrowing, secured	(502)
Deferred tax liabilities	(302)
Net liabilities	(41,902)
Effect of full write down of investment in De-consolidated Subsidiaries and amounts due from De-consolidated Subsidiaries	52,544
Foreign currency translation reserves	(87)
Net loss on De-consolidation of subsidiaries recognised in the consolidated profit or loss for the year ended 31 March 2016	10,555
Analysis of net outflow of cash and cash equivalents arising from De-consolidation of subsidiaries	1,773

4. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning from 1 April 2017. A summary of the new and revised HKFRSs applied by the Group is set out as follows:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle relating to Amendments to HKFRS 12 *Disclosures of Interests in Other Entities*
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from these financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 53 to the consolidated financial statements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 53 to the consolidated financial statements, the application of these amendments has had no impact on the Group's consolidated financial statements.

Except as described above, the application of other new and revised HKFRSs in the current year has had no material impact on the Group's financial position and financial performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

5. OPERATING SEGMENT INFORMATION

Information reported to the Group's management, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

- Trading and retailing of jewellery
- Lending business
- Pharmaceutical and healthcare products

An operating segment regarding the wireless value-added services was discontinued in the current year. The segment information reported below does not include any amounts for these discontinued operation.

The following is an analysis of the Group's revenue and results from continuing operations:

Continuing operations

For the year ended 31 March 2018	**Trading and retailing of jewellery** *HK$'000*	**Lending business** *HK$'000*	**Pharmaceutical and healthcare products** *HK$'000*	**Consolidation** *HK$'000*
REVENUE				
From external customers:				
Trading of gold and jewellery	**26,011**	**–**	**–**	**26,011**
Retailing of jewellery	**8,674**	**–**	**–**	**8,674**
Lending business	**–**	**3,419**	**–**	**3,419**
Trading of pharmaceutical and healthcare products	**–**	**–**	**26,635**	**26,635**
	34,685	**3,419**	**26,635**	**64,739**
RESULTS				
Segment results	**(1,261)**	**2,523**	**(7,795)**	**(6,533)**
Unallocated income				**4**
Unallocated expenses				**(12,296)**
Finance costs				**(16)**
Share of loss of an associate				**(710)**
Gain on disposal of subsidiaries				**1,371**
Loss before tax				**(18,180)**

For the year ended 31 March 2017	Trading and retailing of jewellery *HK$'000*	Lending business *HK$'000*	Pharmaceutical and healthcare products *HK$'000*	Consolidation *HK$'000*
REVENUE				
From external customers:				
Trading of gold and jewellery	14,633	–	–	14,633
Retailing of jewellery	6,582	–	–	6,582
Lending business	–	4,144	–	4,144
Trading of pharmaceutical and healthcare products	–	–	4,896	4,896
	21,215	4,144	4,896	30,255
RESULTS				
Segment results	(723)	4,144	(425)	2,996
Unallocated income				298
Unallocated expenses				(24,010)
Finance costs				(539)
Share of loss of an associate				(195)
Loss before tax				(21,450)

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

	2018 *HK$'000*	2017 *HK$'000*
SEGMENT ASSETS		
Trading and retailing of jewellery	**13,566**	17,324
Lending business	**32,777**	40,179
Pharmaceutical and healthcare products	**36,342**	36,705
Segment assets from continuing operations	**82,685**	94,208
Assets related to discontinued operations	**–**	1,214
Non-current asset classified as held for sale	**1,538**	–
Unallocated assets	**30,177**	8,311
Total assets	**114,400**	103,733
SEGMENT LIABILITIES		
Trading and retailing of jewellery	**648**	884
Lending business	**112**	72
Pharmaceutical and healthcare products	**23,383**	2,095
Segment liabilities from continuing operations	**24,143**	3,051
Liabilities related to discontinued operations	**–**	23,558
Unallocated liabilities	**2,407**	2,433
Total liabilities	**26,550**	29,042

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

- all assets are allocated to operating segments other than certain prepayments and cash and cash equivalents held by the respective head offices; and
- all liabilities are allocated to operating segments other than certain other payables and accruals of the respective head offices.

Geographical information

The Group's operations are mainly located in the PRC and Hong Kong, and it also derives revenue from the PRC and Hong Kong.

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

	Revenue of external customers		**Non-current assets**	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	HK$'000
Continuing operations				
The PRC	**61,320**	24,711	**14,142**	9,887
Hong Kong	**3,419**	5,544	**4,679**	8,556
Total	**64,739**	30,255	**18,821**	18,443

Note: Non-current assets exclude available-for sale financial assets.

Information about major customers

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

	2018	2017
	HK$'000	*HK$'000*
Trading and retailing of jewellery		
Customer A	**11,908**	8,422
Customer B	**–**	4,539
Customer C	**11,328**	–

No other customers contributed 10% or more to the Group's revenue for both years.

Other segment information

For the year ended 31 March 2018

Continuing operations

	Trading and retailing of jewellery *HK$'000*	Lending business *HK$'000*	Pharmaceutical and healthcare products *HK$'000*	Consolidation *HK$'000*
Interest income	**6**	**-**	**-**	**6**
Depreciation of property, plant and equipment	**542**	**–**	**3,224**	**3,766**
Amortisation of prepaid rentals	**–**	**–**	**49**	**49**
Impairment loss recognised in respect of trade receivables	**–**	**–**	**508**	**508**
Loss on disposal of property, plant and equipment	**2**	**–**	**–**	**2**
Impairment loss recognised in respect of goodwill	**–**	**–**	**413**	**413**
Capital Expenditure:				
Property, plant and equipment	**4**	**–**	**187**	**191**

For the year ended 31 March 2017

Continuing operations

	Trading and retailing of jewellery *HK$'000*	Lending business *HK$'000*	Pharmaceutical and healthcare products *HK$'000*	Consolidation *HK$'000*
Interest income	4	-	-	4
Depreciation of property, plant and equipment	521	–	1,745	2,266
Amortisation of prepaid rentals	–	–	54	54
Capital Expenditure:				
Property, plant and equipment	4	–	448	452

6. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue from continuing operations is as follows:

	2018 ***HK$'000***	2017 *HK$'000*
Continuing operations:		
Revenue		
Sales of goods	**61,292**	26,110
Services income	**28**	734
Loan interest income	**3,419**	3,411
	64,739	30,255

	2018	2017
	HK$'000	*HK$'000*
Other income and gains		
Sundry income	**86**	265
Gain on disposal of property, plant and equipment	**–**	12
Exchange gains, net	**–**	17
Bank interest income	**6**	5
	92	299
	64,831	30,554

7. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Continuing operations:		
Interest on borrowing	**16**	–
Imputed interest on a convertible note	**–**	539
	16	539

8. LOSS BEFORE TAX

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

	2018	2017
	HK$'000	*HK$'000*
Continuing operations:		
Auditors' remuneration:		
– audit services	**739**	660
– non-audit services	**–**	488
	739	1,148
Cost of inventories sold	**56,478**	23,690
Amortisation of prepaid rentals	**49**	54
Depreciation of property, plants and equipment	**4,952**	2,266
Written off of property, plant and equipment	**–**	44
Written off of due from related companies	**34**	–
Minimum lease payments under operating leases in respect of: land and buildings	**1,824**	3,954
Employee benefits expense (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**8,893**	8,874
Pension scheme contributions (defined contribution schemes)	**408**	219
	9,301	9,093

	2018	2017
	HK$'000	*HK$'000*
Continuing operations:		
Exchange gain, net	**–**	(17)
Impairment loss recognised in respect of trade receivables	**508**	–
Professional fee	**4,953**	5,326
Loss/(gain) on disposal of property, plant and equipment	**2**	(12)

9. INCOME TAX EXPENSE

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

No provision for the PRC Enterprise Income Tax has been made for both years as the Group has no assessable profits arising in the PRC.

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Current tax – Hong Kong:		
Charge for the year	**180**	126
Under/(over) provision in prior years	**92**	(2)
	272	124
Deferred tax credit	**–**	(89)
	272	35

10. EARNINGS/(LOSS) PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
Earnings/(loss)		
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share	**23,329**	(23,657)

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**1,210,372**	1,133,098

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic earnings per share calculation for the years ended 31 March 2017, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted earnings per share.

Diluted earnings per share were same as the basic earnings per share for the year ended 31 March 2018 as there were no potential dilutive ordinary shares in issue.

For continuing operations

	2018	2017
	HK$'000	*HK$'000*
Earnings/(loss)		
Loss for the purpose of basic and diluted earnings per share from continuing operations	**(18,441)**	(21,450)

The denominators used are the same as those detailed above for both basic and diluted earnings/(loss) per share for continuing and discontinued operations.

From discontinued operation

Basic and diluted earnings per share for the discontinued operation are HK$3.45 cents per share (2017: loss per share of HK$0.19 cents per share), based on the profit for the year from the discontinued operations of approximately HK$41,770,000 (2017: loss of HK$2,207,000) and the denominators detailed above for both basic and diluted earnings/(loss) per share for continuing and discontinued operations.

11. DISCONTINUED OPERATION

On 2 June 2017, the Group entered into a sale and purchase agreement to dispose of the entire issued share capital of Prosten (BVI) Limited and its subsidiaries, including the De-consolidated Subsidiaries, which were principally engaged in wireless value-added services operation in the PRC. The disposal of wireless value-added services operation 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 June 2017, on which date the control of Prosten (BVI) Limited passed to the acquirer.

Profit/(loss) for the year from Prosten (BVI) Limited and its subsidiaries is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the results of Prosten (BVI) Limited and its subsidiaries as discontinued operation:

	Period from 1 April 2017 to 5 June 2017	Period from 1 April 2016 to 31 March 2017
	HK$'000	*HK$'000*
Loss from wireless value-added services operation for the period/year	**(65)**	(2,207)
Gain on disposal of wireless value-added services operation	**41,835**	–
Profit/(loss) for the period/year attributable to owners of the Company	**41,770**	(2,207)

Loss of Prosten (BVI) Limited and its subsidiaries 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 2017 to 5 June 2017	Period from 1 April 2016 to 31 March 2017
	HK$'000	*HK$'000*
Revenue	**–**	–
Other income and gains	**34**	8
Selling expenses	**–**	(9)
Loss on fair value change of financial assets at fair value through profit or loss	**(22)**	(114)
Administrative expenses	**(77)**	(2,092)
Loss before tax	**(65)**	(2,207)
Income tax expense	**–**	–
Loss for the period/year	**(65)**	(2,207)

Loss for the period/year from discontinued operations has been arrived at after charging:

	Period from 1 April 2017 to 5 June 2017	Period from 1 April 2016 to 31 March 2017
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**4**	62
Minimum lease payments under operating leases in respect of:		
Land and buildings	**16**	242
Exchange gains, net	**–**	(2)
Written off of an available-for-sale financial asset	**–**	419
Realised loss on financial assets at fair value through profit or loss	**22**	30
Unrealised loss on financial assets at fair value through profit or loss	**–**	84
	22	114
Employee benefits expense:		
Wages, salaries, allowances and benefits in kind	**–**	489
Pension scheme contributions (defined contribution schemes)	**–**	77
	–	566

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

	Period from 1 April 2017 to 5 June 2017	Period from 1 April 2016 to 31 March 2017
	HK$'000	*HK$'000*
Net cash outflow from operating activities	**(565)**	(310)
Net cash inflow/(outflow) from investing activities	**591**	(734)
Net cash inflow/(outflow)	**26**	(1,044)

12. TRADE RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables, gross	**20,565**	4,211
Less: Impairment loss recognised	**–**	(1,397)
Loans receivables	**26,391**	34,372
Trade receivables	**46,956**	37,186

An aged analysis of the Group's loans receivables, aged based on the loan drawdown date, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 3 months	**11,185**	7,170
4 to 6 months	**–**	13,513
7 to 12 months	**11,461**	–
Over 1 year	**3,745**	13,689
	26,391	34,372

An aged analysis of the Group's trade receivables, net of impairment allowances, based on the invoice date is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 3 months	**15,797**	598
4 to 6 months	**2,819**	2,216
7 to 12 months	**1,938**	–
Over 1 year	**11**	–
	20,565	2,814

13. TRADE PAYABLES

An aged analysis of the Group's trade payables, based on the month in which the services were rendered, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 3 months	**6,745**	1,309
4 to 6 months	**12,345**	17
7 to 12 months	**184**	–
Over 1 year	**–**	2,533
	19,274	3,859

14. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2018 (2017: nil).

AUDIT OPINION

Extract of Independent Auditors' Report

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

(a) De-consolidation of certain subsidiaries of the Company incorporated in Shanghai

As described in note 3 to the consolidated financial statements, the Group considered that it had been unable to have access to the complete set of books and records and the supporting documents of certain subsidiaries incorporated in Shanghai (the "De-consolidated Subsidiaries") since 1 January 2016 for the purposes of, among others, preparing the Group's consolidated financial statements for the financial years ended 31 March 2016, 2017 and 2018.

As a result, the directors were of the opinion that the Group was unable to direct the relevant activities of the De-consolidated Subsidiaries, and that the control over these subsidiaries was lost, since 1 January 2016. Hence the Group had deconsolidated the financial results, cash flows, assets and liabilities of the De-consolidated Subsidiaries from the consolidated financial statements of the Group since 1 January 2016 (the "De-consolidation").

On 2 June 2017, the Company entered into a disposal agreement for the disposal of the entire issued share capital of Prosten (BVI) Limited together with the relevant shareholders' loan (the "Disposal"). Prosten (BVI) Limited indirectly held the entire issued share capital of the De-consolidated Subsidiaries. As disclosed in note 3 to the consolidated financial statements, the Disposal was completed on 5 June 2017 (the "Disposal Date").

Due to lack of access to the relevant supporting documentation in respect of the De-consolidated Subsidiaries and to management and other personnel of the De-consolidated Subsidiaries, we have not been provided with sufficient appropriate audit evidence, including information and explanations, in relation to the nature of the Group's involvement and interests in the De-consolidated Subsidiaries during the period from 1 January 2016 to the Disposal Date. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the De-consolidated Subsidiaries were controlled by the Group during the period from 1 January 2016 to the Disposal Date. Under the requirements of HKFRS 10 *Consolidated Financial Statements*, all subsidiaries controlled by the Company and its subsidiaries shall be included in the consolidated financial statements of the Group. The facts and circumstances described above and in note 3 to the consolidated financial statements are not sufficient to support the management's view that the Group had lost control over the relevant subsidiaries located in the Peoples' Republic of China (the "PRC") with effect from 1 January 2016. Hence we were unable to satisfy ourselves as to the appropriateness of the accounting treatment adopted by the Group of ceasing to treat the De-consolidated Subsidiaries as subsidiaries of the Group and thereby ceasing to include the results of operations, cash flows, assets and liabilities of the De-consolidated Subsidiaries in the consolidated financial statements of the Group with effect from 1 January 2016 rather than from the Disposal Date.

Had the De-consolidated Subsidiaries remained to be controlled by the Group after 1 January 2016 and hence required to be and had been consolidated up until the Disposal Date, many elements in the consolidated financial statements of the Group for the years ended 31 March 2018 and 2017 would have been materially affected. However, as stated above, we have not been able to obtain sufficient appropriate audit evidence to enable us to assess the nature and effects of the matters to which the De-consolidation relates. The possible effects of these matters on the consolidated financial statements of the Group could not be determined due to our lack of access to complete books and records of the De-consolidated Subsidiaries. These scope limitations also impact on our ability to determine the reliability of the management representations received by us as audit evidence for our audit testing purposes. Any adjustments found to be required may have consequential significant effects on the elements in the consolidated financial statements for the years ended 31 March 2018 and 2017 and hence on the profit or loss and cash flows of the Group for the years ended 31 March 2018 and 2017 and the net assets of the Group as at 31 March 2018 and 2017.

(b) Gain on disposal of Prosten (BVI) Limited

As described in notes 3 and 42 to the consolidated financial statements and paragraph (a) above, the Company entered into a disposal agreement for the disposal of Prosten (BVI) Limited, which indirectly held the entire issued share capital of the De-consolidated Subsidiaries, for a total consideration of HK$4,600,000. Details of the Disposal are set out in the Company's announcement dated 2 June 2017. Upon the completion of the Disposal on 5 June 2017, a gain on disposal of subsidiaries of approximately HK$41,835,000 was recognised and presented as profit for the year from discontinued operation in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2018.

The scope of our audit work in relation to the Disposal have been limited in the following respects:

– Due to the reasons as described in paragraph (a) above, we have been unable to satisfy ourselves as to whether the De-consolidated Subsidiaries were controlled by the Group during the period from 1 January 2016 to the Disposal Date. Had the De-consolidated Subsidiaries been required to be and had been consolidated up until the Disposal Date, the profit or loss from discontinued operation and the gain or loss on disposal of discontinued operation as disclosed in note 11 to the consolidated financial statements, and hence the profit or loss for the year from discontinued operation as presented in the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2018, as well as the carrying amounts of net liabilities as at the Disposal Date of the disposal group represented by Prosten (BVI) Limited and its subsidiaries being disposed of as disclosed in note 42 to the consolidated financial statements, would have been materially affected.

– Due to lack of access to complete books and records of the De-consolidated Subsidiaries and our inability to satisfy ourselves as to whether the De-consolidated Subsidiaries were controlled by Prosten (BVI) Limited and hence by the Group as at the Disposal Date, we were unable to satisfy ourselves as to whether the Disposal constituted a notifiable transaction which required shareholders' approval in general meeting of the Company. No such shareholders' approval was obtained prior to completion of the Disposal. Accordingly, we were unable to satisfy ourselves as to the consequences for the Group in the event that such approval was found to be required for the Disposal and the impact thereof on the amounts presented in the consolidated financial statements of the Group for the year ended 31 March 2018 in respect of the Disposal and whether provisions or disclosure of contingent liabilities for penalties for breach of the Listing Rules are required.

There were no alternative audit procedures that we could perform to satisfy ourselves that these balances were free from material misstatements. Any adjustments that might have been found to be necessary to these balances would have consequential effects on the profit and cash flows of the Group for the year ended 31 March 2018 and the net assets of the Group as at 31 March 2018.

(c) Opening balances and comparative information

The opening balances and comparative information presented or disclosed in the consolidated financial statements are based on the consolidated financial statements of the Group for the year ended 31 March 2017 in respect of which we expressed a disclaimer opinion in our auditors' report dated 26 June 2017. The matters which led us to disclaim our opinion are explained in that auditors' report and in paragraph (a) above. Therefore, the opening balances and comparative information presented or disclosed in the consolidated financial statements may not be comparable with the figures presented or disclosed in respect of the current year. Also, any adjustments to the opening balances as at 1 April 2017 would have consequential effects on the profit and cash flows of the Group for the year ended 31 March 2018.

REPORT ON OTHER MATTERS UNDER SECTIONS 407(2) AND 407(3) OF THE HONG KONG COMPANIES ORDINANCE

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding the De-consolidated Subsidiaries as described in the *Basis for Disclaimer of Opinion* section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and

- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW, BUSINESS PERFORMANCE AND OUTLOOK

Revenue

During the year, the Group continued to diversify its revenue base to jewellery trading and retailing, lending business as well as pharmaceutical and healthcare products business. The growth in the jewellery trading and retailing and lending business, together with the development of these businesses has compensated the disposal of revenue from wireless value-added services ("WVAS").

As a result, the Group's revenue for the year ended 31 March 2018 amounted to approximately HK$64,739,000, representing an increase of approximately 114% from approximately HK$30,255,000 for the year ended 31 March 2017.

Cost of sales and gross profit margin

As a result of entering into pharmaceutical and healthcare products business, as well as the development of the jewellery trading and retailing, cost of sales of the Group increased from approximately HK$23,690,000 for the year ended 31 March 2017 to approximately HK$56,478,000 for the year ended 31 March 2018, representing an increase of approximately 138%. As the gold jewellery wholesale contributed a significant part of the revenue, which had a lower gross profit margin, the overall gross profit margin deceased from approximately 22% to 13% in current year.

Other income and gains

Other income and gains during the year amounted to approximately HK$92,000, which was decreased by approximately HK$207,000 as compared with that of 2017 (2017: HK$299,000). The decrease was mainly attributable to the reduction in sundry income.

Selling expenses

The Group's selling expenses were approximately HK$3,460,000 for the year ended 31 March 2018 and were in line with that for the year ended 31 March 2017 of approximately HK$3,569,000.

Administrative expenses

Administrative expenses experienced an decrease of approximately HK$1,315,000 from approximately HK$24,618,000 for the year ended 31 March 2017 to approximately HK$23,303,000 for the year ended 31 March 2018 which was mainly due to decrease in legal and professional fee and rental expenses, and the effect of which was partially offset by increase in administrative expense from the Jewellery Business and the Pharmaceutical Business due to their business expansion.

Other expenses

Other expenses, which mainly represented expenses for other non-operating expenses, decreased from approximately HK$39,000 for the year ended 31 March 2017 to approximately HK$2,000 for the year ended 31 March 2018.

Finance costs

The Group's finance costs experienced an decrease of approximately HK$523,000 from approximately HK$539,000 for the year ended 31 March 2017 to approximately HK$16,000 for the year ended 31 March 2018. The decrease in such expenses was mainly due to no imputed interest on a convertible note during the year and incurred interest on borrowing.

Share of loss of an associate

During the year ended 31 March 2018, the Group had share of loss from an associate amounted to approximately HK$710,000 (2017: HK$195,000)

Gain on disposal of subsidiaries

Gain on disposal of subsidiaries, which represented the gain on disposal of Prosten Wealth Investment Limited and Meteor Investment (HK) Limited, is approximately HK$1,371,000 for the year ended 31 March 2018(2017: nil).

Discontinued operation

On 2 June 2017, the Group entered into a sale and purchase agreement to dispose of the entire issued share capital of Prosten (BVI) Limited and its subsidiaries, which is principally engaged in wireless value-added services operation. The disposal of wireless value-added services operation 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 June 2017, on which date the control of Prosten (BVI) Limited passed to the acquirer.

Profit for the year ended 31 March 2018 from the discontinued wireless value-added services operation included loss from wireless value-added services operation approximately HK$65,000(2017: HK$2,207,000) and Gain on disposal of wireless value-added services operation approximately HK$41,835,000 (2017: nil)

Result for the year

The Group recorded a profit of approximately HK$23,329,000 for the year ended 31 March 2018, compared to loss of approximately HK$23,657,000 for the year ended 31 March 2017 mainly due to gain on disposal of the Group's discontinued operations.

Dividend

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

Revaluation of available-for-sale financial assets

During the year ended 31 March 2018, the fair value of the available-for-sale financial assets decreased by approximately HK$1,583 to approximately HK$15,000 (2017: HK$16,583,000) with respect to mainly the investment in 6% of its shareholdings in Hong Kong Net TV Limited.

Total equity

As a results of Reclassification adjustments relating to foreign operations disposed and loss on revaluation of available-for-sale financial assets, effect of which was partially setoff with profit for the year, as at 31 March 2018, the Group's a total equity increased by approximately HK$13,159,000 to approximately HK$87,850,000 (31 March 2017: HK$74,691,000).

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 2018, total cash and cash equivalents of the Group amounted to approximately HK$10,341,000 (31 March 2017: HK$8,738,000). The increase in total cash and cash equivalent was mainly due to the effect of foreign exchange rate change.

Treasury policies and foreign currency exchange exposure

As most of the Group's trading transactions, monetary assets and liabilities are denominated in 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 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 2018, no related hedges were made by the Group (2017: nil).

Charges on group's assets

As at 31 March 2018, the Group did not have any charges on assets (2017: Nil).

Contingent liabilities

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

Significant investments, acquisitions or disposals

During the year, the Group had disposed Prosten (BVI) Limited, Prosten Wealth Investment Limited and Meteor Investment (HK) Limited.

Capital structure and use of proceeds

Capital structure

The shares of the Company were listed on GEM on 28 March 2000.

During the year ended 31 March 2018, the Company has issued and allotted 2,700,000 new shares at the exercise price of HK$0.165 per share as a result of exercise of share options by the share option holders of the Company.

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 2017 and 31 March 2018 (HK$0.1 each)	250,000,000	250,000
Issued and fully paid:		
As at 1 April 2017 (HK$0.1 each)	1,208,263,725	120,826
Exercise of share options	2,700,000	270
As at 31 March 2018 (HK$0.1 each)	1,210,963,725	121,096

The Group's capital structure is sound with healthy working capital management. As at 31 March 2018, the Group's total equity amounted to approximately HK$87,850,000, representing an increase of approximately HK$13,159,000 compared with approximately HK$74,691,000 as at 31 March 2017. As at 31 March 2018, the Group's cash and cash equivalents totaled approximately HK$10,341,000 (31 March 2017: HK$8,738,000). The current ratio (note a), quick ratio (note b) and gearing ratio (note c) of the Group as at 31 March 2018 was 3.03 (31 March 2017: 2.38), 2.47 (31 March 2017: 1.86) and Net cash position (31 March 2017: 13.92%), respectively.

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

Notes:

(a) Current Ratio = Current Assets ÷ Current Liabilities

(b) Quick Ratio = (Current Assets – Inventories) ÷ Current Liabilities

(c) Gearing Ratio = (Debts – Cash and cash equivalents) ÷ Equity

Use of proceeds

An analysis about the expected funding needs for the twelve months from September 2016 to August 2017 and the actual use of proceeds up to 31 March 2018 out of Convertible Note was set out as follows:

Total estimated minimum funding need in respect of the issue of the Convertible Note	Designated area/ business segment	Expected source of funding for the twelve months from September 2016 to August 2017	Actual use of proceeds up to 31 March 2018	Balance as at 31 March 2018
(i) General working capital (including legal and professional fees, rental expenses, payroll and other administrative expenses, and if investment opportunity arises, may allocate part of the working capital for such opportunity)	Head office	Approximately HK$11.7 million (approximately HK$7.5 million from the proceeds and the remaining of approximately HK$4.2 million from internal resources and other equity financing methods as appropriate from time to time)	Approximately HK$11.7 million	Nil
(ii) Balance payment for the acquisition of the sale shares and sale loan of Sino Yao Shang Technology Limited	Pharmaceutical and healthcare products business	Approximately HK$4.3 million for the balance payment as consideration of acquisition	Approximately HK$4.3 million	Nil
(iii) Future development of the pharmaceutical and healthcare products business	Pharmaceutical and healthcare products business	Approximately HK$17 million for the future development (note)	Nil (note)	Nil
(iv) Establishment of new wireless value-added services by way of hiring new staffs to seek further business opportunities	Wireless value-added services business	Approximately HK$2.5 million for the establishment	Approximately HK$2.5 million	Nil
(v) General working capital (mainly administrative expenses) for wireless value-added services business	Wireless value-added services business	Approximately HK$1.2 million for general working capital	Approximately HK$200,000 (note)	Nil

Total estimated minimum funding need in respect of the issue of the Convertible Note	Designated area/ business segment	Expected source of funding for the twelve months from September 2016 to August 2017	Actual use of proceeds up to 31 March 2018	Balance as at 31 March 2018
(vi) General working capital (including purchase of inventories, rental, wages, other administrative expenses and selling and distribution expenses) for the jewellery trading and retailing business	Jewellery trading and retailing business	Approximately HK$8.3 million (approximately HK$1.5 million from the proceeds and the remaining of HK$6.8 million from internal resources and other equity financing methods as appropriate from time to time	Approximately HK$4.3 million	Approximately HK$4.0 million
(vii) Administrative expenses for the lending business	Lending business	Approximately HK$0.65 million	Approximately HK$650,000	Nil

The expected funding needs of the Convertible Note were based on the best estimation and assumption of future market conditions at the time of preparing the issue of the Convertible Note while the actual use of proceeds were based on the development of the Group's business.

Note:

Approximately HK$17 million was originally intended for financing the business development of the pharmaceutical and healthcare products business. After considering the operation and business development of the Group, the Board resolved to re-allocate approximately HK$14 million to finance the acquisition and future business development of King Win Intelligent Technologies Limited and approximately HK$3 million to general working capital for the pharmaceutical and healthcare products business.

Approximately HK$1.2 million was originally intended for general working capital (mainly administrative expenses) for wireless value-added services business. The Board resolved to re-allocate approximately HK$200,000 to finance the professional fee for disposal of wireless value-added services business. After disposal of wireless value-added services business, the Board resolved to re-allocate approximately HK$1 million to general working capital for the pharmaceutical and healthcare products business.

Employee and remuneration policy

As at 31 March 2018, the Group had a total of 49 employees (31 March 2017: 99). However, total staff costs for the year ended 31 March 2018 increased to approximately HK$9,301,000 (2017: HK$9,093,000 mainly due to increase in pension scheme contributions.

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.

Events after the reporting period

(a) Placing of shares

On 17 April 2018, the Company and placing agent entered into the placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent up to 240,000,000 placing shares, at the placing price of HK$0.27 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The placing was completed on 30 April 2018 and the gross and net proceeds from the placing are approximately HK$64,800,000 and approximately HK$63,713,000 respectively. For details, please refer to the Company's announcement dated 17 April 2018 and 2 May 2018.

(b) Acquisition of 40% of equity interest in Darling Paganini Holding Limited

On 16 May 2018, Lighting Storm Holdings Limited (the "Purchaser"), an indirectly wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Ms. Chung, Elizabeth Ching Yee (the "Vendor"), an executive director of the Company, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase 40% of the equity interest in the Darling Paganini Holding Limited (the "Target Company"), at a total consideration of HK$10,000,000. Upon Completion, the Target Company and its subsidiaries will become an associate of the Company. For details, please refer to the Company's announcement dated 16 May 2018.

BUSINESS REVIEW AND OUTLOOK

Trading and retailing of Jewellery Business

The Group commenced its Jewellery Business in 2015 and continued to develop this business in the period under review.

During the period under review, the Group's 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 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 retailing business was conducted mainly through an offline store located in Wongtee Plaza, Futian District, Shenzhen, the PRC, which is a franchised store of the Luk Fook Jewellery brand. The store is required to select goods from the suppliers designated by Luk Fook Jewellery. Upon quality inspection by state-approved jewellery identification center and being claimed to the store by the Group's staff, the goods are immediately entered into store sales system for sale. Most of the jewellery goods purchased by the store from the suppliers were finished jewellery products, which are generally not required to undergo reprocessing before sale.

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 jewelries and wholesale to jewellery wholesalers.

The Group will continue to focus on developing its 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). As to retail of jewellery, the positioning of retail products in stores will focus on mid-end products, which will be supplemented by low end products. 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 Jewellery Business increased by approximately HK$13,470,000 from approximately HK$21,215,000 for the year ended 31 March 2017 to approximately HK$34,685,000 for the year ended 31 March 2018. The increase in revenue from the Jewellery Business for the year under review was mainly because of the increase in trading of golden jewellery products in the PRC. However, relatively low gross margin of wholesale of jewellery and the selling and administrative expenses to maintain and develop this business resulted in loss in this segment. Going forward, the Group will try to allocate more resources to develop its Jewellery Business, especially the golden jewellery trading business, and at the same will try further effort to control the selling and administrative expenses to increase the profitability of the Jewellery Business.

Lending business

The Group commenced its Lending Business in Hong Kong in 2016 through acquiring a group of companies with a valid money lending licence in Hong Kong to diversify its income source. The Lending Business continued to grow and contributed positive results to the Group 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 two major outstanding loan receivables with the Group as at 31 March 2018. 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.

Pursuant to the loan agreement and extension agreements entered into between SZ Enterprise Union Finance Limited ("SZ Finance"), an indirect wholly-owned subsidiary of the Company, and the borrower, Mr. Chen Tianju, on 25 January 2017 and 2 June 2017 respectively, two unsecured loans was granted to and drawn down by Mr. Chen Tianju on 25 January 2017 and 7 June 2017 respectively. The loans were in the principal amount of HK$6,000,000 each and were bearing an interest at a rate of 12% per annum for a term of twelve months and eight months respectively. On 25 January 2018, SZ Finance entered into the extension agreement with the borrower whereby the final repayment date of the loans is extended to 25 April 2018 and 7 May 2018 respectively but early repayment is allowed.

In addition, pursuant to the loan agreements entered into between SZ Finance and the borrower, Ms. Ding Pingying, on 9 February 2018, the unsecured loan was granted to and drawn down by Ms. Ding Pingying on 9 February 2018. The loan was in the principal amount of HK$11,000,000 and was bearing an interest at a rate of 12% per annum for a term of six months. The final repayment date of the loan is 8 August 2018 respectively but early repayment is allowed.

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.

Pharmaceutical and healthcare products business

The Group commenced its Pharmaceutical Business in 2016 and continued to develop this business in the year under review.

During the year ended 31 March 2017, the Group has established business relationships with target pharmaceutical companies and chain pharmacies and during the year under review, it has established business relationships with a group of target hospitals in western Guangdong, which are mainly related to the distribution of pharmaceuticals and pharmaceutical consumables to such hospitals as well as the supply of pharmaceuticals and healthcare products to such pharmaceutical companies and chain pharmacies. During the aforementioned supply and sales activities, the Group mainly acts as a channel distributor to conduct sales activities, which does not involve pharmaceutical production.

During the year ended 31 March 2017 and the year ended 31 March 2018, the Group also engaged in the cultivation of longan and radix millettiae speciosae, which requires relatively long period to realise the investment. As the auxiliary business of the Pharmaceutical Business, the Group also sold health food products, such as health protection tea leaves and walnut jujube, in the year ended 31 March 2017. During the year ended 31 March 2018, the Group had no revenue from sales of health food products and cultivation of longan and radix millettiae speciosae.

On 26 July 2017, Meteor Storm Holdings Limited ("Meteor Storm"), an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement with an independent third party, pursuant to which Meteor Storm agreed to sell and the purchaser agreed to acquire the entire issued share capital of Meteor Investment (H.K.) Limited ("Meteor HK"), a direct wholly- owned subsidiary of Meteor Storm. The disposal was completed on 14 August 2017. Upon completion of the disposal, Meteor HK and its subsidiaries ("Meteor HK Group"), which were engaged in trading of pharmaceutical products (Chinese medicine), sales of health food and cultivation of longan and radix millettiae speciosae, ceased to be subsidiaries of the Company. The disposal represented an opportunity to realise the Group's investment in the Meteor HK Group. After the disposal, the Group has focused its resources allocated to the Pharmaceutical Business on the remaining subsidiaries under the Pharmaceutical Business, which holds license such as the pharmaceutical operation permit (藥品經營許可證), the medical equipment operation permit (醫療器械經營企業許可證) and the good supply practices (GSP) certificate (藥品經營質量管理規範認證證書) and is principally engaged in the sales of pharmaceuticals, healthcare products and pharmaceutical consumables.

The revenue from the Pharmaceutical Business increased by approximately HK$21,739,000 from approximately HK$4,896,000 for the year ended 31 March 2017 to approximately HK$26,635,000 for the year ended 31 March 2018. Such increase was mainly due to the increase in sales of pharmaceutical products to hospitals.

In regard to the sales of pharmaceuticals and healthcare products, the Group will review the market situation and the profitability of the business periodically. Then the Group will adjust the business volume in accordance with market demands and determine the resources to be further allocated based upon the business volume and operating situation from time to time.

Wireless value-added services business

Since the expiry of wireless value-added service contracts with a PRC telecommunication operator during the year ended 31 March 2016, the Group did not have any revenue from wireless value-added service for the year ended 31 March 2017 and 2018.

As disclosed in the Company's announcement dated 2 June 2017, the Company disposed the entire issued share capital of Prosten (BVI) Limited, a direct wholly-owned subsidiary of the Company. The disposal was completed on 5 June 2017. As a result of the disposal, the Company disposed most of its subsidiaries engaged in the wireless value-added service business. Considering the challenging and volatile market situation for this business, the Group currently has no plan to further invest in this segment, unless suitable business opportunities arise in the future.

Looking ahead, there are still great challenges for the Group. While carrying out initiatives already under way in its current strategic plans, the Group will also critically review the future opportunities in its existing businesses with a target to re-allocate the Group's resources for a more fruitful manner. In the coming future, the Group will focus its work on strengthen its marketing and channel efforts, increasing customer base and improving the quality of its service and products.

Updates on matters relating to the De-consolidation

With reference to the annual report of the Company for the year ended 31 March 2016 ("2016 Annual Report"), the Directors considered that the Group was unable to govern the De-consolidated Subsidiaries and the control over the De-consolidated Subsidiaries was lost. Therefore, from 1 January 2016 onwards, the Group had de-consolidated the De-consolidated Subsidiaries from its financial statements for the financial year ended 31 March 2016 (the "De-Consolidation").

The Company was in negotiations with relevant party(ies) with an aim to resolving the matters arising from or in connection with the loss of control over the De-consolidated Subsidiaries. Nevertheless, there was no conclusion in this regard. On 2 June 2017 (after trading hours), the Company entered into a disposal agreement for the disposal of the entire issued share capital of Prosten (BVI) Limited (together with relevant shareholders loan) which indirectly held the entire issued share capital of the De-consolidated Subsidiaries.

The disposal in effect casted away the Prosten (BVI) Limited, its subsidiaries and the De-consolidated Subsidiaries from the Group. Therefore, no further efforts is required to be spent on negotiation or other actions to be taken in connection with the loss of control over the De-consolidated Subsidiaries.

The internal control review

The Company also engaged an internal control reviewer to conduct an internal control review for the Group (the "IC Review") which covers four major areas, namely, (i) corporate internal control; (ii) financial reporting and disclosure internal control; (iii) internal control over business processes; and (iv) operational manual. The first stage of the IC Review was completed. Findings and recommendations under the IC Review were presented to the Board and the Group is implementing the recommendations if thought fit.

Looking ahead, there are still great challenges for the Group. While carrying out initiatives already under way in its current strategic plans, the Group will also critically review the future opportunities in its existing businesses with a target to re-allocate the Group's resources for a more fruitful manner. In the coming future, the Group will focus its work on strengthen its marketing and channel efforts, increasing user base and improving the quality of its products.

COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) have any interests in a business which competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the year under review.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

On 30 April 2018, an aggregate of 240,000,000 placing shares were successfully placed under general mandate to not fewer than six placees, which are independent third parties of the Group, at the placing price of HK$0.27 per placing share. The 240,000,000 placing shares represents approximately 19.82% of existing issued share capital of the Company on 17 April 2018, the date the agreement was entered into, and approximately 16.54% of the issued share capital of the Company as enlarged by the placing shares.

During the year, the Company has issued and allotted 2,700,000 new shares at par value of HK$0.1 per share, as a result of the exercise of share options to the share option holders of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2018.

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 2018.

CORPORATE GOVERNANCE CODE

Save as the deviation disclosed below, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 15 to the GEM Listing Rules throughout the year under review.

With respect to the deviation, the CG Code provision A.2.1 provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. During the year under review, the Company has not appointed chief executive officer. The Chairman, Mr. Xu Zhigang, was responsible for ensuring that the Board functions effectively and smoothly. The Board considers that the current arrangement is adequate in view of the size and complexity of the Group's operations. The Board will, nonetheless, review the business growth of the Group and locate suitable candidate to fill the vacancy of the chief executive officer when considered essential and will continue setting out a clear division of responsibilities at the board level and the day-to-day management team to ensure a proper balance of power and authority within the Company.

Code provision A.6.5 of the CG Code requires all directors should attend director training, Mr. Xu Zhigang, being non-executive Director, had not attended any director training during the year under review.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the maintenance of a sound and effective internal control system of the Group and has established the Group's internal control policies and procedures for monitoring the internal control system. The internal control system of the Group is designed to achieve business objectives, 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 management and various departments conduct periodic self-assessment of the effectiveness of the internal control policies and procedures. Besides, the Board reviews at least annually the overall effectiveness of the Group's internal control system.

However, certain internal controls were not enforced effectively in the De-consolidated Subsidiaries. Reference is made to the announcement of the Company dated 24 June 2016 in relation to, amongst others, the issue associated with the non-cooperation of the management of the De-consolidated Subsidiaries (the "Identified Issue"). Review of the internal control system has been performed by executive management and the Directors after the Identified Issue was brought to the attention of the Board. Based on review of the financial and control situation of the members of the Group other than the De-consolidated Subsidiaries, the Board is satisfied that there are no other significant governance matters unrelated to the Identified Issue that have had a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. The Company also engaged an internal control reviewer to conduct the IC Review which covers four major areas, namely, (i) corporate internal control; (ii) financial reporting and disclosure internal control; (iii) internal control over business processes; and (iv) operational manual. The first stage of the IC Review was completed. Findings and recommendations under the IC Review were presented to the Board and the Board is considering the recommendations and will implement the same if thought fit.

Going forward, the Board will oversee the Company's risk management and internal control systems on an ongoing basis. It will ensure that the Company's risk management and internal control systems are properly designed and implemented and a review of the effectiveness of such systems will be conducted at least annually. The Board will also ensure that adequate resources will be allocated to the Company's risk management and internal control functions to achieve the Group's internal control objectives.

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 Corporate Governance Code (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), Mr. Kwan Chi Hong and Ms. Lee Kwun Ling, May Jean.

The Group's audited financial statements for the year ended 31 March 2018 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.

REMUNERATION COMMITTEE

In accordance with the CG Code, the Company established the Remuneration Committee on 17 June 2005 with written terms of reference. The Remuneration Committee comprises two independent non-executive Directors, namely Mr. Kwan Chi Hong (Chairman of the Remuneration Committee), Ms. Lee Kwun Ling, May Jean and one executive Director, Ms. Chung, Elizabeth Ching Yee.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

NOMINATION COMMITTEE

In accordance with the CG Code, the Company established the Nomination Committee on 29 March 2012 with written terms of reference. The Nomination Committee comprises two independent non-executive Directors, namely Ms. Lee Kwun Ling, May Jean (Chairman of the Nomination Committee) and Ms. Chan Mei Yan Hidy and one executive Director, Ms. Chung, Elizabeth Ching Yee.

The principal responsibilities of the Nomination Committee include formulating nomination policy and making recommendations to the Board on nomination and appointment of Directors and Board succession, developing selection procedures for nomination candidates, reviewing the size, structure and composition of the Board, as well as assessing the independence of independent non-executive Directors.

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

Hong Kong, 26 June 2018

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

Mr. Zhang Chunhua (Executive Director (Chairman))
Ms. Chung Elizabeth Ching Yee (Executive Director and Chief Executive Officer)
Ms. Zhang Chunping (Executive Director)
Mr. Xu Zhigang (Non-executive Director)
Ms. Chan Mei Yan Hidy (Independent Non-executive Director)
Mr. Kwan Chi Hong (Independent Non-executive Director)
Ms. Lee Kwun Ling, May Jean (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 Company Announcements" page for at least 7 days from the date of its posting and the Company's website at www.cbg.com.hk.