

# TARGET

## Intelligence Report

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S A T U R D A Y

January 14, 2023

### **CHINA BRILLIANT GLOBAL LTD: A PAEAN FOR MR ZHANG CHUN HUA, IF YOU PLEASE**

China Brilliant Global Ltd (朗華國際集團有限公司) (Code: 8026, The Growth Enterprise Market – The **GEM** – The Stock Exchange of Hongkong Ltd) appears to have negligible Current Liabilities ... other than a Promissory Note in the amount of \$HK75,947,000.00!

This was clearly stated in the ‘**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**’ with regard to the 2021-2022 Annual Report of the Company in respect of the Financial Year, ended March 31, 2022.

At Note 32 of the notes to the accounts of China Brilliant Global Ltd, found at Page 182 of the 2021-2022 Annual Report, under the heading, ‘**PROMISSORY NOTE**’, one was informed of the following:

*‘On 19 January 2021, the Company completed to issue a promissory note to Mr. Zhang, a director and substantial shareholder of the Company, at US\$10,000,000 (equivalent to HK\$78,000,000). The promissory note was unsecured interest-bearing at 2.5% per annum and payable on the maturity date in arrears and repayable on the date of six months after 19 January 2021 (the “Initial Maturity Date”). The Company has the rights and also exercised the option to extend the Initial Maturity Date for two successive period of six months (the “Extension Option”). The promissory note will be matured on 18 July 2022.*

*‘The Extension Option is not closely related to the host contract and regarded as embedded derivatives in the host contract. The Company designated the promissory note and the Extension Option as a whole in accordance with HKFRS 9 and classified as financial liabilities at FVTPL (Fair Value Through Profit or Loss). As the Company has right to defer the settlement of the promissory note up to twelve months, the promissory note classified as non-current portion as at 31 March 2021.’*

The reference to ‘Mr. Zhang’ in the above-mentioned, first paragraph, line two, relates to Mr Zhang Chun Hua (張春華), the Chairman of the Board of Directors as well as being an Executive Director of China Brilliant Global Ltd.

Mr Zhang Chun Hua, as shall become evident later in this report, is deemed to be interested in 834,851,294 Shares of the entire Issued and Fully Paid-Up Share Capital of China Brilliant Global Ltd via Brilliant Chapter Ltd, the latter-named company, being domiciled in The Republic of Seychelles.

### **The 2021-2022 Annual Report Of China Brilliant Global Ltd**

The 2021-2022 Annual Report of China Brilliant Global Ltd was published and disseminated in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** on or about Wednesday, June 29, 2022.

The Company describes its principal activities thusly:

*‘The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are trading and retailing of gold and jewellery products, money lending and related business and fintech business. The Group had ceased the retailing of gold and jewellery products on 21 July 2021. The Group was also engaged in distribution of pharmaceutical and healthcare products, for which the operation was disposed on 14 July 2020 through disposal of the entire equity interest in Prosten Development Limited (長達發展有限公司) (“Prosten Development”) and its subsidiaries (“Prosten Group”), that was discontinued accordingly.*

*‘The consolidated financial statements are presented in 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 subsidiaries are operating in the PRC and Republic of Kazakhstan (“Kazakhstan”) with Renminbi (“RMB”) and United States dollar (“US\$”) 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 (of Hongkong Ltd).’*

The **‘CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME’** was presented at Page 89 of 2021-2022 Annual Report of the Company.

**TARGET (泰達財經)** has taken the liberty of extracting that which it has deemed are the highlights of this Report:

	For The Financial Year, Ended March 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	77,806	59,038	31.79
Gross Profit	5,020	4,958	1.25
Gross Profit Margin*	6.45 percent	8.40 percent	(23.21)
Loss Before Taxation	(46,154)	(38,277)	20.58
Loss For The Year	(46,154)	(39,144)	17.91

Profit/(Loss) Attributable To Shareholders Of The Company	(37,322)	(41,052)	(9.09)
Loss Per Share From Continuing And Discontinuing Operations	(2.56) cents	(2.82) cents	(9.22)

\* These are **TARGET**'s calculations.

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