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CHINA BRILLIANT GLOBAL LIMITED

朗華國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8026)

**DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL
OF KING WIN INTELLIGENT TECHNOLOGIES LIMITED**

THE DISPOSAL

The Board announces that on 3 July 2019 (after trading hours), the Vendor (the Company) and the Purchaser entered into the SPA. Pursuant to the SPA, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of HK\$9,800,000, which shall be settled by HK\$3,300,000 as deposit upon signing the SPA, HK\$3,300,000 upon due diligence and HK\$3,200,000 upon Completion.

Completion has taken place simultaneously with the entering into of the Agreement. Upon Completion, King Win Intelligent Technologies Limited has ceased to be a subsidiary of the Company.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratio (as defined in the GEM Listing Rules) in respect of the transaction(s) contemplated under the SPA exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board announces that on 3 July 2019 (after trading hours), the Vendor (the Company) and the Purchaser entered into the SPA. Pursuant to the SPA, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of HK\$9,800,000. Details of the SPA are set out below:

The SPA

The principal terms of the SPA are as follows:

Date: 3 July 2019 (after trading hours)

Parties: (1) Vendor: The Company

(2) Purchaser: Victory Surplus Holdings Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its beneficial owner(s) are Independent Third Parties.

Assets to be disposed of

The Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 100% of the issued share capital of the Target Company, free from all encumbrances together with all rights attaching thereto on or after the date of SPA.

Consideration

The aggregate consideration for the sale and purchase of the Sale Shares shall be HK\$9,800,000, which shall be satisfied in the following manner:

- (1) Within seven (7) business days upon signing of the SPA, the Purchaser shall pay HK\$3,300,000 as deposit to the Vendor (or as directed by the Vendor in writing) in a lump sum in cheque or in immediately available funds by electronic transfer to the Vendor's bank account.
- (2) Within seven (7) business days upon due diligence, the Purchaser shall pay the remaining HK\$3,300,000 to the Vendor (or as directed by the Vendor in writing) in a lump sum in cheque or in immediately available funds by electronic transfer to the Vendor's bank account.
- (3) Within seven (7) business days upon Completion, the Purchaser shall pay the remaining HK\$3,200,000 to the Vendor (or as directed by the Vendor in writing) in a lump sum in cheque or in immediately available funds by electronic transfer to the Vendor's bank account.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the asset position and historical performance of the Target Group; and the reasons and benefit for the Disposal as set out in the section headed "Reasons and Benefit for the Disposal" below.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal to be fair and reasonable and are in the interests of the Company and the Shareholders.

Conditions precedent

The Completion shall be conditional upon and subject to:

- (i) all necessary consents and approvals in relation to the SPA having been obtained by the Purchaser; and
- (ii) all necessary consents and approvals in relation to the SPA having been obtained by the Vendor.

Completion

Completion shall take place on the date as the Purchaser acquires legal documents which prove the lawful validity of its ownership of the Sale Shares for the Target Company.

If in the event that any of the conditions above cannot be fulfilled on or before the long stop date, which is 31 December 2019, either the Vendor or the Purchaser shall have the right to terminate the SPA by written notice to the other Party.

Upon Completion, the Group will cease to hold any interest in the Target Group.

INFORMATION ON THE TARGET GROUP

The Target Company was incorporated under the laws of the British Virgin Islands on 4 February 2015, and wholly owns the Target HK Subsidiary, which in turn holds 100% equity interest in the Target PRC Subsidiary. The Target HK Subsidiary was incorporated in Hong Kong on 25 February 2015, whereas the Target PRC Subsidiary was incorporated in the PRC on 11 June 2015.

To the best of the knowledge, information and belief of the Directors, both of the Target Company and the Target HK Subsidiary are investment holding companies, whereas the Target PRC Company's current principal business activity is the development of the Building (as defined below). The major assets of the Target PRC Company are the Land, the construction in progress thereon and cash.

INFORMATION ON THE PROPERTY

The Target PRC Subsidiary as legal and beneficial owner owns a parcel of land for industrial use under construction located at the southern side of Zhongshan Road, western side of Zhawang Highway, Jiaxinggang District, Jiaxing City, Zhejiang Province, the PRC (中國浙江省嘉興市嘉興港區乍王公路西側中山路南側) (the “Land”) with a site area of approximately 4,627.50 sq.m..

FINANCIAL INFORMATION ON THE TARGET GROUP

Set out below is the audited consolidated financial information of the Target Group for the financial year ended 31 March 2018 and 2019 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 March 2019 (audited) HK\$'000 (approximately)	For the year ended 31 March 2018 (audited) HK\$'000 (approximately)
Results		
Turnover	–	–
Net loss before taxation	(3,645)	(746)
Net loss after taxation	(3,645)	(746)
Assets and liabilities		
Total assets	17,071	14,808
Net liabilities	(5,147)	(616)

The unaudited net assets value of the Target Subsidiary as at 31 May 2019 was approximately HK\$9,497,000. Based on the preliminary assessment, the Group will record a gain on disposal of approximately HK\$303,000 from the Disposal after deducting the expenses attributable to the Disposal of approximately HK\$283,000. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company. It is expected that the Consideration will be used to finance future potential investment opportunities of the Group.

REASONS AND BENEFIT OF THE DISPOSAL

The Group is principally engaged in trading, distribution and manufacturing of medical, pharmaceutical and healthcare food products; design, research, development, wholesale and retail of jewelry and luxury goods; and provision of financial services, including money lending services.

As announced by the Company in its announcement dated 13 December 2016 relating to the acquisition of the target group, the Company originally purchased the target group with the intention to diversify the Company business and broaden the revenue sources. Unfortunately, the target group is not able to generate positive cash inflow to the Group in near future. Directors consider that after the Disposal, the Company will reduce the further construction cost and potential risk for the property development. The Group is able to focus on existing business.

Based on the above, the Directors consider that the terms of the Disposal are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratio (as defined in the GEM Listing Rules) in respect of the transaction(s) contemplated under the SPA exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	means the board of Directors;
“Company”	means China Brilliant Global Limited (朗華國際集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8026);
“Completion”	means completion of the Disposal in accordance with the terms and conditions of the SPA;
“Completion Date”	means the date as the Purchaser acquires legal document which prove the lawful validity of its ownership of the Sale Shares for the Target Company;
“Connected Person(s)”	means the meaning ascribed to it in the GEM Listing Rules;
“Consideration”	means the consideration for the Disposal of HK\$9,800,000 payable by the Purchaser to the Vendor in accordance with the terms of the SPA;
“Director(s)”	means the director(s) of the Company;

“Disposal”	means the proposed disposal of the Sale Shares pursuant to the terms and conditions of the SPA;
“GEM”	means the GEM of the Stock Exchange;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong SAR;
“Independent Third Party”	means the independent third party who is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and the Connected Person(s) of the Company;
“PRC”	means The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Property”	shall have the meaning ascribed to it in “Information On The Property” under this announcement
“Purchaser”	means Victory Surplus Holdings Limited (捷盈控股有限公司), a company incorporated in British Virgin Islands with limited liability;
“Share(s)”	means ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	means the shareholder(s) of the Company;
“SPA”	means the sale and purchase agreement dated 3 July 2019 entered into between the Vendor and the Purchaser in relation to the Disposal;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Target Company”	means King Win Intelligent Technologies Limited, a company incorporated in the British Virgin Islands;

“Target Group”	means the Target Company, the Target HK Subsidiary and the Target PRC Subsidiary collectively;
“Target HK Subsidiary”	means King Win Intelligent Technologies (HK) Limited (嘉健高端技術有限公司), a company incorporated in Hong Kong;
“Target PRC Subsidiary”	means 嘉興嘉健智能技術有限公司, a company incorporated in the PRC;
“Vendor”	means the Company;
“%”	per cent.

By Order of the Board
China Brilliant Global Limited
Zhang Chunhua
Chairman and Executive Director

Hong Kong, 3 July 2019

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 Stock Exchange’s website at www.hkexnews.hk and the GEM website at www.hkgem.com and in the case of this announcement, on the “Latest Company Announcements” page for at least seven days from the date of its posting. This announcement will also be published on the Company’s website at www.cbg.com.hk.