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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: FORMATION OF JOINT VENTURE

Reference is made to the announcement of the Company dated 4 October 2019.

FORMATION OF A JOINT VENTURE

The Board is pleased to announce that on 3 January 2020 (after trading hours), CFSG, a wholly-owned subsidiary of the Company entered into the Subscription Agreement with the JV Company.

Immediately after Completion, the issued share capital of the JV Company will be owned as to 56% by CFSG. The JV Company, through its wholly-owned subsidiary, will be principally engaged in banking business in Kazakhstan.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Subscription Agreement is more than 5% but is less than 25%, the entering into of the Subscription Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 4 October 2019.

The Board is pleased to announce that on 3 January 2020 (after trading hours), CFSG, a wholly-owned subsidiary of the Company entered into the Subscription Agreement with the JV Company.

Principal terms of the Subscription Agreement are set out as follows:

THE SUBSCRIPTION AGREEMENT

Date: 3 January 2020

Parties: (i) CFSG, a wholly-owned subsidiary of the Company; and
(ii) the JV Company

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

Conditions precedent

The performances of the terms of the Subscription Agreement by the Parties are conditional upon the satisfaction of the following conditions:

- (a) approval from AFSA for CFSG the Subscriber to become a shareholder of the JV Company and indirect shareholder of ECF; and
- (b) all applicable approval under the GEM Listing Rules required by the Company in respect of the execution and performance of the transactions contemplated under the Subscription Agreement having been obtained (if required).

If any of the conditions are not (or do not remain) satisfied on or before the Longstop Date, if CFSG may terminate the Subscription Agreement at any time prior to Completion by giving notice to the JV Company.

Subscription Price

The subscription price payable by the Company under the Subscription Agreement is US\$5 million which shall be payable by the Company in the following manner:

- (i) an initial amount of US\$2.5 million shall be payable in cash at Completion; and
- (ii) the balance of US\$2.5 million shall be payable in cash within 30 days after the JV Company has produced 5 successful test cases under the Digital Banking Sandbox Licence.

The subscription amount was agreed between the Company and the JV Company after arms length negotiation with reference to the anticipate initial capital required by the JV Company. The Board considers the subscription amount payable by the CFSG under the Subscription Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place on the seventh Business Day after the date of notification of the satisfaction of the last of the conditions precedent above, or at any other time, date or place agreed in writing between the JV Company and CFSG.

THE JV COMPANY

The JV Company is a company incorporated in the British Virgin Islands with limited liability. CFSG, APEX and VKV will subscribe for 56%, 8% and 6% of the issued share capital of the JV Company, as enlarged by their subscription respectively. Immediately after Completion and the subscription of shares on the JV Company by VKV. The issued share capital of the JV Company will be owned as to 56% by CFSG. The JV Company, through ECF which has been granted the Digital Banking Sandbox Licence, will be principally engaged banking business along the Belt and Road which is expected to commence in mid-2020.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, APEX, EBRI, VKV and their respective ultimate beneficial owner(s) are independent third parties.

The JV Company will be classified as a subsidiary of the Company under the applicable accounting standards after Completion.

Investment commitment

CFSG's contribution to the JV Company will be in the form of cash, APEX and VKV will contribute to the JV Company by providing consultation, advisory service to the JV Company throughout the establishment and initial setting up of the banking business through its established business network in Kazakhstan and EBRI has contributed to the JV Company by its existing management and operation platform to the JV Company. The amount of capital contributions to be injected by the parties was determined after arm's length negotiations among the parties with reference to the JV Company's initial estimated funding needs and the agreed share by each party.

The contributions to be made by CFSG shall be payable in cash. CFSG's portion of the capital contribution is expected to be funded partially by the Group's internal resources and the Company expects that the making of such capital contribution would not have any material adverse impact on the financial position of the Group.

Initial funding of the JV Company shall be applied to cover the ancillary costs, and the business and operational costs and regulatory funding requirements of the Digital Banking Sandbox Licence.

Board composition

The board of the JV Company will comprise of nine members of which five of the directors shall be appointed by CFSG and the remaining four directors shall be appointed by EBRI.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

The principal activities of the Group are wholesale and retailing of jewellery, money lending and distribution of pharmaceutical and healthcare products.

The Board considers that the formation of the JV Company will allow the Company to tap into the fast-growing banking business in Kazakhstan and expand its income source steadily, by leveraging on the combined expertise, facilities and resources of the parties.

Further, with the opening of the Astana International Financial Center ("AIFC") in July 2018 and the continuous support on the "Belt and Road" initiative by the PRC government, many Chinese enterprises has been attracted to this region, including China Development Bank, China Construction Bank, Industrial and Commercial Bank of China, Bank of China, China International Capital Corporation, etc. As Kazakhstan is seeking to make AIFC a leading financial centre in Asia, and the "Belt and Road" initiative to make AIFC an important RMB offshore centre, the Board expects large demand on banking and financing business to be generated in this region in the future. The JV Company, which aims to provide multi-dimension banking and financial services (including online banking services), is expected to capture the huge business needs of corporate clients along the "Belt and Road" region across Asia, Europe and beyond, particularly in trade and supply chain financing.

The Board considers the terms and conditions of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Subscription Agreement is more than 5% but is less than 25%, the entering into of the Subscription Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“AFSA”	Astana Financial Services Authority of the Republic of Kazakhstan
“APEX”	Apex Alliance Limited, a company incorporated in Republic of Seychelles with limited liability
“Board”	the board of Directors
“Business Day”	a day other than: (a) a Saturday, Sunday or a general holiday (as defined in the General Holidays Ordinance (Cap. 149 of the Laws of Hong Kong)) or a day on which a tropical cyclone No.8 or above or a “black” rainstorm warning is hoisted in Hong Kong at any time between 9:00am and 5:00pm, on which banks are open for the transaction of general banking business in Hong Kong; and (b) a Saturday, Sunday or a public holiday, on which banks are open for the transaction of general banking business in Hong Kong.
“CFSG”	CBG Financial Services Group Limited, a company incorporated in British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Company”	China Brilliant Global Limited, a company established in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Completion”	completion of the Subscription in accordance with the terms of the Subscription Agreement

“connected person”	has the meaning ascribed thereto under the GEM Listing Rules
“Digital Banking Sandbox Licence”	the digital banking sandbox licence granted by the AFSA
“Director(s)”	the director(s) of the Company
“EBRI”	Eurasia Belt & Road Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“ECF”	Eurasia Continental Fintech Limited, a wholly owned subsidiary of the JV Company incorporated in Astana International Financial Centre with limited liability and has been granted a Digital Banking Sandbox Licence
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons
“JV Company”	Eurasia Continental Capital Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Kazakhstan”	Republic of Kazakhstan
“Longstop Date”	2 July 2020
“PRC”	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
“Shareholders”	the shareholders of the Company

“Subscription”	the subscription of 56% of the issued shares in the JV Company by CFSG as contemplated under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 3 January 2020 and entered into between CFSG and the JV Company in relation to the Subscription
“VKV”	Vital Key Ventures Limited, a company incorporated in Republic of Seychelles with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renmenbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 3 January 2020

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.