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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE DISCLOSEABLE AND CONNECTED TRANSACTION REPURCHASE OF SHARE AND DISPOSAL OF SUBSIDIARY

Reference is made to the announcement of China Brilliant Global Limited (the “**Company**”) dated 9 October 2020 (the “**Announcement**”) and the circular of the Company (the “**Circular**”) dated 21 August 2020. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcement.

This announcement is made to provide supplemental information on the background information of Disposal and the business updates and future plan of the Group.

Principal activities of CBGF, CBG Fintech Limited and ECF

The principal business activities of CBGF and CBG Fintech Limited are investment holdings. The principal business activity of ECF is operation of digital banking services in AIFC.

Events leading to the Disposal

Prior to the entering into of the subscription agreement dated 3 January 2020 in relation to the subscription of 56% of the issued shares in CBGF (the “**Subscription**”), the Company had performed various due diligence exercises to study the feasibility of the cooperation with EBRI, which includes, among others, visited AIFC’s government and business partners in August 2019 and performed further due diligence and internal feasibility study during September to December 2019 for the validity and spectrum of usage of the licence with the Company’s consultant for licence application and compliance to confirm the licence and the investment in AIFC is suitable for the Company’s intended expansion of its business scope.

In March 2020, communication with AFSA in respect of the conversion of FinTech Lab Participant Licence to a full banking licence commenced. In April 2020, the Company appointed a lawyer licensed by AFSA (the “**Licence Lawyer**”) to practice in AIFC to advise the Company on the conversion requirement under the relevant AIFC laws and AFSA regulations. The Licence Lawyer advised to the Company that there is no material deficiency or impediment noted in the conversion of licence except for the need to applying extension for the FinTech Lab Participant Licence. As there were no material deficiency or impediment noted for ECF to convert the FinTech Lab Participant Licence to full banking licence, the Subscription was completed on 28 May 2020.

On 17 July 2020, ECF submitted an application package to AFSA to convert the FinTech Lab Participant Licence to a full banking licence (the “**Application**”). On 29 July 2020, AFSA expressed concern that that there could be potential conflict of interest between CBGF and its beneficial owner as “the ultimate beneficial owners of EBRI are also beneficially interested in other banking corporations” (the “**Concern**”). After discussion with EBRI and the lawyer appointed by ECF for the Application, the management of the Group were of the view that the Concern will not have any material impact to the Application and it can be resolved by reducing EBRI’s shareholding in ECF and submitting to AFSA that there will be no conflict of interest as the banking corporation interested by the ultimate beneficial owners of EBRI focuses on individual clients whereas ECF focuses on corporate clients. The Company considered that the Concern could be resolved by clarifying with the AFSA and was part of the process of the Application, and at the time did not consider the Concern will have any significant impact on the Application.

Since the Company and EBRI were unable to agree on the new shareholding structure of ECF, given the potential impact to the Application, the Company and EBRI mutually agreed to withdraw the Application on 17 September 2020 pending further negotiation on the process to terminate the co-operation with minimal impact to all the parties concerned.

In October 2020, after negotiation between the Company and EBRI, EBRI informed the Company that it would pull out from the co-operation with the Company. As a result, CBGF and EBRI entered into the Repurchase Agreement and the Announcement was issued by the Company in compliance with the relevant provisions of the Listing Rules on 9 October 2020.

The Board was not aware of the Concern prior to being informed by AFSA in July 2020 and the Company obtained confirmation from the Licence Lawyer that there is no written policy in AFSA law and regulation relating to the Concern. The Company and the Licence Lawyer assumed the experience of management of EBRI was an advantage for the application and were not aware of any negative impact or the Concern during due diligence.

Based on the above, the Board considered that they have sufficiently discharged their fiduciary duties as required under Rule 5.01 and 5.02 of the GEM Listing Rules and used their best endeavour to conduct sufficient due diligence work before the Subscription. As explained above, the Company singled out the Concern as the major challenging milestone for the Application and as advised by the Licence Lawyer, there is no written policy regarding the Concern under the relevant laws and regulations in AIFC. On the Company's instructions, ECF withdrew the Application which was after completion of the Subscription. As such, it was not plausible for the Company to be aware of the Concern prior to completion of the Subscription.

The Board considers that Company has disclosed all material information regarding the Subscription to its shareholders in the Circular as at the material time when the Company is preparing the Circular. In particular, since there is no written policy regarding the Concern under the relevant laws and regulations in AIFC, the Board is of the view that the Concern could be overcome by EBRI reducing its interests in CBGF and providing further explanation to the ASFA. Further, at the time of preparing the Circular, no definitive decision has been made by ASFA as the ASFA has only provided its initial preliminary feedback on the Application and the correspondence with ASFA is part of the process of the Application. Based on the above, the Board considers that all material information has been disclosed in the Circular at the material time.

Further, as the Company and EBRI was in negotiation in finding a mutually agreeable solution to terminate the co-operation between the parties pending finalisation of the Repurchase Agreement during the time when the Company and EBRI agreed to withdraw the Application, the Board considers that it would not be practical and might even cause unnecessary confusion to the market if the Company was to issue an announcement at the time of the withdrawal of the Application.

Board composition of CBGF

As at the date of this announcement, the board of CBGF comprises Mr. Zhang Chunhua (“**Mr. Zhang**”) and Ms. Chung, Elizabeth Ching Yee (“**Ms. Chung**”). All directors nominated by EBRI had resigned from the board of CBGF on 9 October 2020. The Company intends to nominate a new director, Mr. Anthony Espina (“**Mr. Espina**”), to the board of CBGF. The biography of Mr. Zhang, Ms. Chung and Mr. Espina are as follow:

Mr. Zhang, was appointed as the Chairman and executive director of the Company on 12 February 2018. Mr. Zhang is in charge of the overall corporate strategies and business development of the Group. In 2006, Mr. Zhang founded a supply chain company in Shenzhen, and he has over 15 years of experience in supply chain management. The company is rooted in the left half of “smiling curve” in China’s manufacturing industry and has evolved to become a global industrial supply chain management corporation. Being responsible for the overall strategic layout and operation management of the company, Mr. Zhang leads the company to become one of the top 500 private enterprises in the PRC and top 100 import/export corporations in the PRC which leads the development of the industry. Mr. Zhang is the vice chairman of Shenzhen Federation of Industry & Commerce (深圳市工商聯 (總商會) 副主席), the member of the Shenzhen Committee of the People’s Political Consultative Conference of China (深圳市政協委員), the committee member of Shenzhen Homocentric Club (深圳同心俱樂部理事), and the director of the Federation of Shenzhen Commerce (深商總會會董).

From 1996 to 2003, Mr. Zhang worked in the Electronic Banking Department of China Construction Bank, Shenzhen branch, (“**CCB Shenzhen Branch**”) and mainly responsible for the development and management of CCB Shenzhen Branch’s technology products. In the past decade years of banking work experience, Mr. Zhang has deep insights into the theoretical knowledge of banking, product services and management, and is familiar with bank organizational structure, bank products, business operations, network construction, financial technology etc. Mr. Zhang has led the development of the first batch of customers of the financial technology products of CCB Shenzhen Branch, promoted the convenience of the banking system and made a positive contribution to the sprouting and development of science as a supporter of the beginning of the mainland bank technology finance.

Ms. Chung, was appointed as an executive Director, and the chief executive officer of the Company on 18 May 2018. Ms. Chung has extensive professional experience in Global brand building and investment advisory. She was appointed as CEO and executive director of Paganini Milano (SG) PTE Limited in early 2017, responsible for brand positioning, strategic planning, and business development. She leads her team to develop retail business globally. Prior to that, Ms. Chung was a director at BOCI Securities Limited and an assistant vice president at HSBC Broking Securities (Asia) Limited responsible for investment advisory for over 10 years, in charge of a department that make recommendations and provide professional investment advices on asset allocation and portfolio management. She mainly responsible for developing and maintaining strategic asset management plans for the assigned portfolio and managing relationships with various financial institutions like hedge funds, private equity firms and listing companies. Besides that, she achieved portfolio investment targets by analyzing and recommending asset allocation, disposition and evaluating alternative investment opportunities to clients.

Ms. Chung graduated at Rutgers University, and started her professional career at General Electric Capital Corporation in the United States of America and she joined A.T. Kearney (Hong Kong) Limited after returning Hong Kong.

Mr. Espina, was appointed as an independent non-executive director of Amber Hill Financial Holding Limited (0033.HK) on June 2007 and Target Insurance (Holdings) Limited (6161.HK) on May 2020. Mr. Espina has over 50 years of experience in the accounting and finance industry.

From May 2013 until his retirement in April 2019, Mr. Espina was the CEO and chairman of the management board and executive director of supervisory board of ATF Bank in Kazakhstan and of the subsidiary Optima Bank in Kyrgyzstan. He is currently a Non-Executive Director of the Supervisory Board of ATF Bank. ATF Bank is the fifth largest bank in Kazakhstan with over 2,500 employees and 70 branches and outlets (over 130 branches and outlets before rationalization).

He was appointed advisor to the CEO and Chairman of the Management Board of Samruk Kazyna, the sovereign wealth fund and national holding company of Kazakhstan in February 2018. Samruk Kazyna has over holds controlling interests in all the state owned entities (in most cases 100% ownership) and has USD70 billion under management. He was advising on privatization of the state owned assets.

In May 2019, he was appointed as a non-executive director of Kaz Munay Gas the national oil company of Kazakhstan.

From July 2014 to May 2017, Mr. Espina was an independent non-executive director of the “Single Accumulative Pension Fund”, a wholly-owned subsidiary of the National Bank of Kazakhstan administering the pension assets of all employees in Kazakhstan. He was the chairman of the Hong Kong Securities Association from 2005 to 2007, and is permanent Hon. president of the association.

He is the founder and managing director of Goldride Securities Limited. Mr. Espina was a partner of Arthur Andersen & Co. from 1982 to 1986 and of Deloitte Touche Tohmatsu from 1986 to 1990.

He was the president of the Hong Kong Computer Society from 1978 to 1979. He graduated from IE University Madrid Spain with executive master in Digital Transformation and Innovation Leadership, the University of Southern Queensland with a bachelor degree in business and is an associate member of CPA Australia, a fellow member of the Hong Kong Institute of Certified Public Accountants and a Fellow member of the Hong Kong Institute of Directors.

Business updates and future plan

As the date of this announcement, the proceeds from the Subscription of US\$5 million was utilised as to (i) approximately HK\$2.25 million for system development; (ii) approximately HK\$2.0 million for staff salary; (iii) approximately HK\$1.5 million for legal and professional fee; and (iv) approximately HK\$0.7 million for administrative expenses. The amount of the unutilised proceeds from the Subscription money was approximately HK\$32.4 million and was retained in CBGF.

The Company will continue with its plan to apply for full banking licence in AIFC. The application for the full banking licence primarily comprises the business operation plan, banking system and capital requirement. As AFSA had reviewed the business operation plan, the Board considers that after the repurchase of the shares in CBGF from EBRI, the major issue regarding application for full banking licence has been overcome, and as such there is no material impediment for the Group to obtain a full banking licence. Since the business operation plan of ECF has already been reviewed by AFSA and the system developed through ECF is retained in the Group, the Group could further develop the system for the full banking licence based on the system already developed through ECF and hence reduced the amount of time required for formulating a business operation plan acceptable to AFSA and development of the required banking system.

On 9 November 2020, the Company has submitted the application to AFSA for a full banking licence in AIFC. On grant of the licence, a subsidiary will be incorporated in AIFC to conduct the banking business. The Board expects that the Group could be granted with the full banking licence in around June 2021 and soft launch will commence in August 2021.

Save as disclosed above, all other information and content set out in the Announcement remain unchanged and shall continue to be valid. This supplemental announcement is supplemental to, and should be read in conjunction with, the Announcement.

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

Hong Kong, 11 November 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)

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