

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 PROSTEN DEVELOPMENT LIMITED

THE DISPOSAL

The Board announces that on 14 July 2020 (after trading hours), the Company (the “**Vendor**”) and the Purchaser entered into the SPA. Pursuant to the SPA, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares at the Consideration of HK\$4,800,000.

Completion has taken place simultaneously with the entering into of the Agreement. Upon Completion, Prosten Development 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 14 July 2020 (after trading hours), the Vendor and the Purchaser entered into the SPA. Pursuant to the SPA, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares at the Consideration of HK\$4,800,000. Details of the SPA are set out below:

The SPA

The principal terms of the SPA are as follows:

Date: 14 July 2020 (after trading hours)

Parties: (1) Vendor: The Company
(2) Purchaser: 黎全源

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an Independent Third Parties.

Assets to be disposed of

The Purchaser has agreed to acquire and the Vendor has 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 consideration for the sale and purchase of the Sale Shares shall be HK\$4,800,000 of which (i) HK\$100,000 was paid upon the signing of the SPA and (ii) the balance of HK\$4,700,000 shall be payable by the Buyer to the Vendor on or before 31 December 2020. As security for the payment of the balance payable by the Purchaser to the Vendor, the Purchaser has entered into a share charge for the Sale Shares in favour of the Vendor which will only be released upon the satisfaction of the Consideration in full by the Purchaser.

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 benefits for the Disposal as set out in the section headed "Reasons and Benefits 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.

Completion

Completion took place immediately upon the execution of the SPA.

Upon Completion, the Group will cease to hold any interest in the Target Group and the Target Company and the Target Subsidiaries will cease to be accounted for as subsidiaries of the Company.

INFORMATION ON THE TARGET GROUP

The Target Company was incorporated under the laws of the British Virgin Islands on 2 December 2016, which is a investment holding company and wholly owns the Target Subsidiaries.

To the best of the knowledge, information and belief of the Directors, the Target Subsidiaries information is as below:

| Name | Place of incorporation/ registration and operations | Principal activities |
|--|--|---|
| Prosten Medical Health Holdings Limited | Hong Kong | Investment holding |
| Prosten Medical Investment Limited | British Virgin Islands | Investment holding |
| Sino Yao Shang Technology Limited | British Virgin Islands | Investment holding |
| Sino Traditional Chinese Medicine Internet Ltd | Hong Kong | Investment holding |
| 深圳市漢盛堂科技有限公司 | PRC | Investment holding |
| 廣東長達醫藥有限公司 | PRC | Distribution and retailing of Chinese herbal medicine and drugs |
| Wing Tai Industrial Holdings Limited | British Virgin Islands | Investment holding |
| Wing Tai Industrial Investment Limited | Hong Kong | Investment holding |
| 深圳市奧輝網絡移動科技有限公司 | PRC | Network and data services |
| Prosten E-Business Investment Limited | British Virgin Islands | Investment holding |

INFORMATION ON THE COMPANY

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

INFORMATION ON THE PURCHASER

The Purchaser is a distributor of pharmaceutical and healthcare products in PRC.

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 2019 and 2020 prepared in accordance with the Hong Kong Financial Reporting Standards:

| | For the year ended 31 March 2020 (audited) HK\$'000 (approximately) | For the year ended 31 March 2019 (audited) HK\$'000 (approximately) |
|--------------------------|--|--|
| Results | | |
| Turnover | 5,246 | 33,318 |
| Net loss before taxation | (7,118) | (5,506) |
| Net loss after taxation | (7,118) | (5,506) |

The unaudited net assets deduct translation reserve of the Target Group as at 31 May 2020 was approximately HK\$4,539,000. Based on the preliminary assessment, the Group will record a gain on disposal of approximately HK\$261,000 from the Disposal after deducting the expenses attributable to the Disposal of approximately HK\$248,000. 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 general working capital.

REASONS AND BENEFITS OF THE DISPOSAL

The Directors anticipate that the Target Group will not be able to generate positive cash inflow to the Group in near future and that after the Disposal, the Company will reduce the operation expenses incurred by the Target Group. The Group intends to focus on its other business sectors.

Based on the above, the Directors, including the independent non-executive 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 and is subject to the notification to Stock Exchange and publication of announcement requirements under 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\$4,800,000 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; |
| “Purchaser” | means 黎全源; |
| “Share(s)” | means ordinary share(s) of US\$1 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 14 July 2020 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 Prosten Development Limited, a company incorporated in the British Virgin Islands; |
| “Target Group” | means the Target Company and the Target Subsidiaries collectively; |
| “Target Subsidiaries” | means Prosten Medical Health Holdings Limited, a company incorporated in Hong Kong; Prosten Medical Investment Limited, a company incorporated in the British Virgin Islands; Sino Yao Shang Technology Limited, a company incorporated in the British Virgin Islands; Sino Traditional Chinese Medicine Internet Limited, a company incorporated in Hong Kong; 深圳市漢盛堂有限公司 and 廣東長達醫藥有限公司, companies incorporated in the PRC; Wing Tai Industrial Holdings Limited, a company incorporated in the British Virgin Islands; Wing Tai Industrial Investment Limited, a company incorporated in Hong Kong; 深圳市奧輝網絡移動科技有限公司, a company incorporated in the PRC; Prosten E-Business Investment Limited, a company incorporated in the British Virgin Islands. |

| | |
|----------|--|
| “US\$” | means United States dollars, the lawful currency of United States; |
| “Vendor” | means the Company; |
| “%” | per cent. |

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

Hong Kong, 14 July 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 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.