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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

THE SOFTWARE PROCUREMENT AND DEVELOPMENT AGREEMENT

The Company announces that on 12 January 2021, the Purchaser, an indirect 68%-owned subsidiary, entered into the Software Procurement and Development Agreement with the Vendor, pursuant to which, the Purchaser has agreed to purchase and the Vendor has agreed to develop the Core Banking System to meet the Purchaser's requirements, upon the terms and subject to the conditions of the Software Procurement and Development Agreement.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Software Procurement and Development Agreement and the transaction contemplated thereunder exceeded 5% but all the applicable percentage ratios are less than 25%, the Software Procurement and Development Agreement and the transaction contemplated thereunder constituted a discloseable transaction of the Company and was therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Company announces that on 12 January 2021, the Purchaser, an indirect 68%-owned subsidiary, entered into the Software Procurement and Development Agreement with the Vendor, pursuant to which, the Purchaser has agreed to purchase and the Vendor has agreed to develop the Core Banking System to meet the Purchaser's requirements, upon the terms and subject to the conditions of the Software Procurement and Development Agreement.

THE SOFTWARE PROCUREMENT AND DEVELOPMENT AGREEMENT

The principal terms of the Software Procurement and Development Agreement are as follows:

- Date:** 12 January 2021
- Parties:** (1) The Purchaser
(2) The Vendor

Subject matter

Pursuant to the Software Procurement and Development Agreement, the Purchaser, an indirect 68%-owned subsidiary, entered into the Software Procurement and Development Agreement with the Vendor, pursuant to which, the Purchaser has agreed to purchase and the Vendor has agreed to develop the Core Banking System to meet the Purchaser's requirements, upon the terms and subject to the conditions of the Software Procurement and Development Agreement.

The Core Banking System is a banking system to be developed by the Vendor based on its existing system modules, to be modified in accordance with the specification and requirements of the Purchaser for its use in the ordinary course of business of the Group, facilitating functions such as customer management, service facilitation, business platform facilitation, accounting services provision, as well as other internal operation functions such as record keeping and email system.

Scope of services

Pursuant to the Software Procurement and Development Agreement, the Vendor shall carry out the development work of the Core Banking System, including the development of the modification of the Vendor's existing system modules according to the development requirements of the Purchaser and to provide services and documentation such as instruction manuals, user guides and other documentation in respect of the Core Banking System. The development services to be provided by the Vendor include but are not limited to completing the development and implementation work specified by the Company within the term of services, such as system design, code implementation, system testing, implementation and installation, parameter usage training, system usage training.

Fees

The total fees payable by the Purchaser to the Vendor under the Software Procurement and Development Agreement are RMB11,600,000 (equivalent to approximately HK\$14,158,767) in cash, comprising of the licence fee for the system modules of the Vendor in the amount of RMB6,565,000 (equivalent to approximately HK\$8,013,130), the total implementation services fee in the amount of RMB5,035,000 (equivalent to approximately HK\$6,145,637). Such fees were determined based on arm's length negotiation between the Purchaser and the Vendor taking into account the scope of work, the specification and requirements of the Purchaser and the prevailing market rates.

The fees were payable in four installments according to certain project milestones, i.e. (i) 30% of the total fees shall be payable upon signing of the Software Procurement and Development Agreement; (ii) 30% of the total fees shall be payable upon completion of the user acceptance test; (iii) 30% of the total fees shall be payable upon the Core Banking System operating in production system environment or business public launch, whichever is earlier; and (iv) the remaining 10% of the total fees shall be payable upon 12 months from the commencement of the operation of the Core Banking System in a production system environment. As at the date of this announcement, the first three installments have been paid by the Group.

INFORMATION ABOUT THE PARTIES

The Purchaser is an indirect 68%-owned subsidiary of the Company incorporated in Hong Kong. It is principally engaged in investment holding and its subsidiaries are principally engaged in operation of fintech business.

The Vendor is a company incorporated in Hong Kong which is a technology company specialised in fintech and system implementation, providing “turn-key” solution and digital transformation services for Financial Services Industry (FSI). It is one of the major subsidiaries of Hi Sun Technology (China) Limited, a company incorporated in Bermuda, the issued shares of which are listed on the Stock Exchange (“**Hi Sun**”, stock code: 818.hk). Hi Sun is a leading IT solution provider in Mainland China for payment, finance and telecommunications. To the best of the knowledge, information and belief of the Directors, the Vendor and its beneficial owners are third parties independent of and not connected with the Company or its connected persons (as defined in the GEM Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE SOFTWARE PROCUREMENT AND DEVELOPMENT AGREEMENT

The Core Banking System is a banking system to be developed by the Vendor based on its existing system modules, to be modified in accordance with the specification and requirements of the Purchaser for its use in the ordinary course of business of the Group. By the software implementation and development services to be provided by the Vendor, the Directors believe that the Company would have a more effective system to facilitate functions such as customer management, service facilitation, business platform facilitation, accounting services provision, as well as other internal operation functions such as record keeping and email system, as the Core Banking System will be a customised system to cater to the needs of the Group based on its specification and requirements. In addition, the Vendor will also provide post-implementation maintenance and upgrade services to ensure the smooth operation and stability of the Core Banking System.

The Directors consider that the Software Procurement and Development Agreement is on normal commercial terms that are fair and reasonable, and the transaction contemplated thereunder is entered into in the ordinary and usual course of business of the Group and is in the interest of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Agreement and the transaction contemplated thereunder exceeded 5% but all the applicable percentage ratios are less than 25%, the Agreement and the transaction contemplated thereunder constituted a discloseable transaction of the Company and was therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Company acknowledges and is apologetic that the notification and announcement in respect of the Software Procurement and Development Agreement and the transaction contemplated thereunder as required under Chapter 19 of the GEM Listing Rules had been delayed. The failure to make timely disclosure was due to the inadvertent omission by the Company, as such the Company was not aware that one of the applicable percentage ratios in respect of the Software Procurement and Development Agreement and the transaction contemplated thereunder had exceeded the threshold for a notifiable transaction. This has unfortunately led to the Company failing to issue an announcement in respect of the discloseable transaction in compliance with the requirements under Chapter 19 of the GEM Listing Rules in a timely manner. In order to avoid occurrence of similar non-compliance with the GEM Listing Rules in the future, relevant trainings have been given to its staff to ensure strengthened awareness and knowledge of the ongoing obligations of the Company under the GEM Listing Rules and professional advice will be sought where necessary as to any action(s) required to be taken in relation to any proposed transactions. Going forward, the Company will make disclosure in a timely manner to ensure compliance with the GEM Listing Rules in this regard.

DEFINITIONS

“Board”	the board of Directors
“Company”	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)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Core Banking System”	the banking software system to be developed based on the system modules of the Vendor and the specification and requirements of the Purchaser set out in the Software Procurement and Development Agreement
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Purchaser”	Brillink Fintech Limited, an indirect 68%-owned subsidiary of the Company, being the purchaser under the Software Procurement and Development Agreement
“Software Procurement and Development Agreement”	the software procurement and development agreement dated 12 January 2021 and entered into between the Purchaser and Vendor in relation to the development of the Core Banking System
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”	Hi Sun Fintech Global Limited, a company incorporated in Hong Kong, being a third party independent of and not connected with the Company or its connected persons, and the vendor under the Software Procurement and Development Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.22 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such a rate.

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

Hong Kong, 15 July 2022

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)
Ms. Lee Kwun Ling, May Jean (Independent Non-executive Director)
Mr. Zhang Weidong (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.