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Golden Century International Holdings Group Limited

金禧國際控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 91)

CONTINUING CONNECTED TRANSACTION IN RELATION TO ENTERING INTO OF THE INSURANCE BROKERAGE AGREEMENT

THE INSURANCE BROKERAGE AGREEMENT

The Board would like to announce that on 10 November 2020, GCINT Wealth Management, being a non-wholly owned subsidiary of the Company, entered into the Insurance Brokerage Agreement with Ms. Li, who is the spouse of Mr. Pan, pursuant to which GCINT Wealth Management provided a packaged insurance brokerage services to Ms. Li for a term of 12 months commencing from 10 November 2020 and expiring on 9 November 2021.

LISTING RULES IMPLICATIONS

As Ms. Li is the spouse of Mr. Pan, who is an executive Director, the chairman and chief executive officer of the Company and a substantial Shareholder interested in 547,271,531 Shares, representing approximately 58.40% of the issued share capital of the Company as at the date of this announcement, Ms. Li is an associate of Mr. Pan and is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Insurance Brokerage Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the commission income generated from the Insurance Brokerage Agreement, on an annual basis, exceeds 5%, the transactions contemplated under the Insurance Brokerage Agreement, which are on normal commercial terms, constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Due to an inadvertent oversight, the Company did not announce the Insurance Brokerage Agreement and the transactions contemplated thereunder in a timely manner in accordance with the Listing Rules. The Board will adopt measures to strengthen the relevant internal control procedures to prevent occurrence of similar incidents in the future.

GENERAL

The Independent Board Committee has been formed and the Independent Financial Advisor will be appointed to provide its opinion to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Insurance Brokerage Agreement and the Annual Caps.

A circular containing, among other things (i) further details of the Insurance Brokerage Agreement, the Annual Caps and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) the recommendations of the Independent Financial Advisor; and (iv) a notice to convene the EGM to approve, among other things, the Insurance Brokerage Agreement and the Annual Caps, will be despatched to the Shareholders on or before 12 March 2021.

Century Gold Millennium shall abstain from voting at the EGM for approval of the resolutions relating to the Insurance Brokerage Agreement.

INTRODUCTION

On 10 November 2020, GCINT Wealth Management entered into the Insurance Brokerage Agreement with Ms. Li pursuant to which GCINT Wealth Management provided the packaged insurance brokerage services to Ms. Li for a term of 12 months commencing from 10 November 2020 and expiring on 9 November 2021.

The principal terms of the Insurance Brokerage Agreement are set out below.

THE INSURANCE BROKERAGE AGREEMENT

- Date:** 10 November 2020
- Parties:** Ms. Li as the client; and
GCINT Wealth Management as the insurance broker
- Effective period:** 12 months commencing from 10 November 2020 and expiring on 9 November 2021.
- Nature of transaction:** GCINT Wealth Management assists Ms. Li in procuring insurance policies to be taken out with third party insurer(s) by provision of the packaged insurance brokerage services.
- The provision of insurance brokerage services shall be subject to the terms and conditions of the standard client agreement of GCINT Wealth Management amended or modified from time to time.
- Terms:** The premium to be made by Ms. Li under the Insurance Brokerage Agreement comprises (i) the premium payable to the third party insurer set out in the insurance policies; and (ii) the commission paid by the third party insurers to GCINT Wealth Management revenue.

ANNUAL CAPS UNDER THE INSURANCE BROKERAGE AGREEMENT

The Annual Caps for the three years ended 31 December 2020 and ending 2021 and 2022 are set out as below:

	Aggregate commission income to be received by GCINT Wealth Management as revenue generated from the Insurance Brokerage Agreement <i>HK\$'000</i>
For the year ended 31 December 2020	1,030
For the year ending 31 December 2021	3,269
For the year ending 31 December 2022	110

The Annual Caps reflect the commission income to be received by GCINT Wealth Management as revenue generated from the Insurance Brokerage Agreement which is calculated in accordance with the terms of the signed insurance policies taken out with the third-party insurer.

While determining the Annual Caps, the Directors have reviewed the present insurance coverage and the insurance brokerage service fees as would be charged by GCINT Wealth Management to any Independent Third Party(ies). Having done so, the Directors concluded that the terms under the Insurance Brokerage Agreement have been no less favourable than that provided to the Independent Third Party(ies). According to the terms of the signed insurance policies taken out with the third-party insurer, the aggregate commission income to be received by GCINT Wealth Management as revenue generated from the Insurance Brokerage Agreement for each of the three financial years ended 31 December 2020 and ending 2021 and 2022 is expected not to exceed HK\$1,030,000, HK\$3,269,000 and HK\$110,000 respectively. Accordingly, the said figures have been adopted as the Annual Caps.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE INSURANCE BROKERAGE AGREEMENT

GCINT Wealth Management is a licensed insurance broker company which provides services including giving advice on general insurance policies and life insurance policies to potential customers (serving as both the professional advisor and representative) in the course of dealing with matters relating to insurance policies.

The Directors (excluding the independent non-executive Directors whose view will be subject to the advice from the Independent Financial Advisor) consider that the Insurance Brokerage Agreement and the Annual Caps thereof have been entered into/arrived at after arm's length negotiations (a) in the ordinary and usual course of the business of the GCINT Wealth Management; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

GCINT Wealth Management is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, GCINT Wealth Management is a licensed insurance broker under the Insurance Ordinance to conduct general and long-term business (including linked long-term business) related regulated activities.

As at the date of this announcement, GCINT Wealth Management is owned as to 90% by the Company and 10% by Spring Wave Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, each of Spring Wave Limited and its ultimate beneficial owner is an Independent Third Party.

Ms. Li is the spouse of Mr. Pan, who is an executive Director, the chairman and chief executive officer of the Company and a substantial Shareholder interested in 547,271,531 Shares, representing approximately 58.40% of the issued share capital of the Company, through Century Gold Millennium as at the date of this announcement.

LISTING RULES IMPLICATIONS

As Ms. Li is the spouse of Mr. Pan, who is an executive Director, the chairman and chief executive officer of the Company, Ms. Li is an associate of Mr. Pan and is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Insurance Brokerage Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Mr. Pan, being an executive Director and the spouse of Ms. Li, has abstained from voting on the relevant resolutions of the Board relating to the Insurance Brokerage Agreement and the Annual Caps.

As one or more of the relevant applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the commission income to be received by GCINT Wealth Management generated from the Insurance Brokerage Agreement, on an annual basis, exceeds 5%, the transactions contemplated under the Insurance Brokerage Agreement, which are on normal commercial terms, constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Due to an inadvertent oversight, the Company did not announce the Insurance Brokerage Agreement and the transactions contemplated thereunder in a timely manner in accordance with the Listing Rules. The Board will adopt measures to strengthen the relevant internal control procedures to prevent occurrence of similar incidents in the future.

The Directors (excluding the independent non-executive Directors whose view will be subject to the advice from the Independent Financial Advisor) consider that the Insurance Brokerage Agreement and the Annual Caps thereof have been entered into/arrived at after arm's length negotiations (a) in the ordinary and usual course of the business of the GCINT Wealth Management; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GENERAL

The Independent Board Committee has been formed and the Independent Financial Advisor will be appointed to provide its opinion to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Insurance Brokerage Agreement and the Annual Caps.

A circular containing, among other things (i) further details of the Insurance Brokerage Agreement, the Annual Caps and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) the recommendations of the Independent Financial Advisor; and (iv) a notice to convene the EGM to approve, among other things, the Insurance Brokerage Agreement and the Annual Caps, will be despatched to the Shareholders on or before 12 March 2021.

Century Gold Millennium shall abstain from voting at the EGM for approval of the resolutions relating to the Insurance Brokerage Agreement.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Annual Caps”	The annual caps under the Insurance Brokerage Agreement in the amounts of HK\$1,030,000, HK\$3,269,000 and HK\$110,000 for each of the financial years ended 31 December 2020 and ending 2021 and 2022
“Board”	the board of Directors
“Century Gold Millennium”	Century Gold Millennium International Holdings Group Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Mr. Pan

“Company”	Golden Century International Holdings Group Limited, a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 0091)
“Directors”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Insurance Brokerage Agreement and the Annual Caps
“GCINT Wealth Management”	GCINT Wealth Management Limited (formerly known as United Able International Limited until 17 November 2020), a company incorporated in the Hong Kong with limited liability and a licensed insurance broker under the Insurance Ordinance to conduct general and long term business (including linked long term business) related regulated activities
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Insurance Brokerage Agreement and the Annual Caps
“Independent Financial Adviser”	the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Insurance Brokerage Agreement and the Annual Caps
“Independent Shareholder(s)”	the Shareholders, excluding Mr. Pan and his associates
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)

“Insurance Brokerage Agreement”	the client agreement dated 10 November 2020 entered into between GCINT Wealth Management and Ms. Li in relation to the packaged insurance brokerage services provided by GCINT Wealth Management to Ms. Li in procuring insurance policies to be taken out with third party insurer(s)
“Insurance Ordinance”	the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pan”	Mr. Pan Jibiao, being an executive Director, the chairman and chief executive officer of the Company and a substantial Shareholder
“Ms. Li”	Ms. Li Dan, being the spouse of Mr. Pan
“Shareholder(s)”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Golden Century International Holdings Group Limited
Pan Jibiao
Chairman and Chief Executive Officer

Hong Kong, 19 February 2021

As at the date of this announcement, the executive directors are Mr. Pan Jibiao (Chairman and Chief Executive Officer) and Ms. Shao Yanxia, the non-executive director is Mr. Shiu Shu Ming, and the independent non-executive directors are Mr. Lai Kin Keung, Mr. Yeung Chi Wai and Mr. Chan Yim Por Bonnie.