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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)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



Kingkey Securities Group Limited

Financial Adviser of the Company



Euto Capital Partners Limited

THE PLACING

The Board is pleased to announce that on 15 March 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 149,691,195 Placing Shares at the Placing Price of HK\$0.20 per Placing Share, to not less than six (6) Placees, who and whose ultimate beneficial owners shall be Independent Third Parties.

The maximum number of the Placing Shares represents (i) approximately 15.97% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion).

The Placing Shares will be allotted and issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Assuming all 149,691,195 Placing Shares are subscribed for in full, upon the Completion, the aggregate gross proceeds from the Placing will be approximately HK\$29,938,000 and the aggregate net proceeds from the Placing will be approximately HK\$29,330,000 (after deduction of placing fee and other expenses of the Placing), representing a net issue price of approximately HK\$0.196 per Placing Share.

The Company intends to use the entire net proceeds arising from the Placing as general working capital of the Group.

WARNINGS

Since the Completion is subject to the satisfaction of the conditions precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE PLACING

On 15 March 2021, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 149,691,195 Placing Shares at the Placing Price of HK\$0.20 per Placing Share. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date : 15 March 2021

Parties : the Company; and

the Placing Agent.

The Placing Agent is a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of the Placing Agent is Kingkey Financial International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1468).

Placees

The Placing Shares shall be placed to not less than six (6) Placees in board lots. The choice of Placees shall be determined solely by the Placing Agent, subject to the Listing Rules, in particular, the Placing Agent shall use all reasonable endeavours to ensure and shall obtain confirmation that the Placees and their ultimate beneficial owners, if any, shall be third parties independent of and not connected with any of the connected person of the Company or any of their respective associates and are not acting in concert with the Company or any of its directors, chief executives or substantial Shareholders or any of their respective associates or any other Placees.

Placing Shares

The maximum number of the Placing Shares represents (i) approximately 15.97% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion).

Placing Price

The Placing Price of HK\$0.20 per Placing Share represents:

- (i) a discount of approximately 18.70% to the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 19.55% to the average closing price of HK\$0.249 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the recent market price of the Shares and the prevailing market conditions. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid up, will rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing fee

In consideration of the services of the Placing Agent in relation to the Placing, the Company shall, upon Completion, pay to the Placing Agent (which shall include brokerage, if required), in Hong Kong dollars, a placing fee of 2.00% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent at Completion.

The placing fee was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the prevailing market rates. The Directors consider that the terms of the Placing, including the placing fee, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

The Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares;
- (ii) all necessary consents, approvals, authorisations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement; and
- (iii) the Placing Agent having received from the Company certified board resolutions approving the Placing and the entering into of the Placing Agreement.

If the above conditions are not fulfilled by 15 April 2021, the Placing will be terminated and the Placing will not proceed and all rights, obligations and liabilities of the Placing Agent and of the Company under the Placing Agreement shall cease and terminate and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach.

Completion

The Completion shall take place on the Completion Date.

Termination

Pursuant to the Placing Agreement, if, at any time prior to 10:00 a.m. on the Completion Date, it is in the reasonable opinion of the Placing Agent that the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations, warranties, and undertakings set out in the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not *sui generis* with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) there is any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the above scenarios, all obligations of each of the parties under the Placing Agreement, shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, all of the Placing Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued under the General Mandate, which grants the Directors at the AGM to allot, issue and deal with up to 149,691,195 Shares, representing approximately 20.00% of the then number of Shares in issue of the Company as at the date of the AGM.

Up to the date of this announcement, no Shares have been allotted and issued under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Placing Shares and the issue of the Placing Shares is not subject to the approval of the Shareholders.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

(i) Information of the Group

The Group is principally engaged in (i) the coalbed methane exploration and exploitation in the People's Republic of China; (ii) the sale of electronic components; (iii) treasury which includes securities trading and money lending; (iv) financial services; (v) insurance brokerage; and (vi) the manufacturing and sale of medical devices and pandemic-prevention supplies and products.

(ii) Reasons for and benefits of the Placing and intended use of proceeds

Since the second half of 2020, the Directors have been kept monitoring the overall business environment and reviewing the impact of the novel coronavirus (COVID-19) pandemic (the “**Pandemic**”) to the financial and operation position of each of the Group's business segments. After certain review performed by the Board, the Directors noticed that the Pandemic is not yet under control and it is expected that the business environment will remain challenging until the spread of the Pandemic is effectively contained.

Having considered the potential adverse impact and high uncertainty on the Group's normal business operation imposed by the Pandemic, the Directors noticed that the financial resources of the Group has been exhausted earlier than expected. In order to satisfy the daily operational needs of the Group, the Directors consider that the Placing represents an opportunity to raise additional funding for the Company to satisfy its imminent needs of cash and to enlarge the shareholder base of the Company which may in return enhance the liquidity of the Shares without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising.

Assuming all 149,691,195 Placing Shares are subscribed for in full, upon the Completion, the aggregate gross proceeds from the Placing will be approximately HK\$29,938,000 and the aggregate net proceeds from the Placing will be approximately HK\$29,330,000 (after deduction of placing fee and other expenses of the Placing), representing a net issue price of approximately HK\$0.196 per Placing Share.

The Company intends to use the entire net proceeds arising from the Placing as general working capital of the Group.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activity in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming all the Placing Shares are issued and allotted, and there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion):

Name of the Substantial Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Pan Jibiao (<i>Notes 1, 2</i>)	547,271,531	58.40	547,271,531	50.35
The Placees	–	–	149,691,195	13.77
Other public Shareholders	389,900,636	41.60	389,900,636	35.88
Total	<u>937,172,167</u>	<u>100.00</u>	<u>1,086,863,362</u>	<u>100.00</u>

Notes:

- (1) These 547,271,531 Shares are held by Century Gold Millennium International Holdings Group Limited, which is wholly owned by Mr. Pan Jibiao. Pursuant to the SFO, Mr. Pan Jibiao is deemed to be interested in these Shares.
- (2) Mr. Pan Jibiao is an executive Director, chairman of the Board and chief executive officer of the Company.

WARNINGS

Since the Completion is subject to the satisfaction of the conditions precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 26 June 2020 at which, among other things, a resolution relating to the grant of the General Mandate was duly passed by the Shareholders
“associate(s)”	has meaning as ascribed to it under the Listing Rule
“Board”	the board of Directors
“Business Day(s)”	any day (not being Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Golden Century International Holdings Group Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 91)
“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	date of completion of the Placing which shall take place not later than the third Business Day following the satisfaction of the conditions of the Placing set out in the Placing Agreement or such other date as the Company and the Placing Agent shall agree
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the AGM to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the issued share capital as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	15 March 2021, being the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any professional or institutional investor(s) independent of the Company, the directors, substantial shareholders and chief executive (as those terms defined in the Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the Listing Rules) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 149,691,195 Placing Shares by the Placing Agent, on a best effort basis, pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Kingkey Securities Group Limited, a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the agreement entered between the Company and the Placing Agent on 15 March 2021
“Placing Price”	HK\$0.20 per Placing Share
“Placing Shares”	up to 149,691,195 new Shares to be allotted and issued under the Placing
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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, 15 March 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.