
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Golden Century International Holdings Group Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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)

(1) CONNECTED TRANSACTIONS – PROVISION OF IPO LOANS TO CONNECTED PERSONS; AND (2) CONTINUING CONNECTED TRANSACTIONS – FINANCING SERVICES AGREEMENTS; AND NOTICE OF THE EGM

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders



Capital 9 Limited

Capitalised terms used on this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A notice convening an extraordinary general meeting (the “EGM”) of Golden Century International Holdings Group Limited (the “Company”) to be held at 45/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 16 December 2021 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.gci.com.hk>).

Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar and transfer office of the Company, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please see page EGM-4 of this circular for measures being taken to try to prevent and control the spread of the Novel Coronavirus (COVID-19) at the EGM, including:

- compulsory body temperature checks
- wearing of a surgical face mask for each attendee throughout the EGM
- hand sanitizing for each attendee
- no beverage and refreshment
- other safety measures as appropriate

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company strongly recommends Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

30 November 2021

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	21
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	23
APPENDIX — GENERAL INFORMATION	36
NOTICE OF THE EGM.....	EGM-1
PRECAUTIONARY MEASURES FOR THE EGM	EGM-4

DEFINITIONS

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

“1st Announcement”	the announcement of the Company dated 15 September 2021 in relation to, among other things, the provision of Non-exempted Loans
“2nd Announcement”	the announcement of the Company dated 22 November 2021 in relation to, among other things, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps)
“Announcements”	collectively, the 1st Announcement and the 2nd Announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Century Gold”	Century Gold Millennium International Holdings Group Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling Shareholder holding approximately 61.35% of the issued Shares of the Company and is wholly owned by Mr. Pan as at the Latest Practicable Date
“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)
“Connected Clients”	collectively, Mr. Pan and Ms. Li
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held at 45/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 16 December 2021 at 10:30 a.m. to approve and, where applicable, ratify, among other things, the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps)

DEFINITIONS

“Financing Services Agreement A”	the financing services agreement dated 22 November 2021 entered into by and among GCINT (HK), GCINT AM and Mr. Pan for the provision of, among other matters, the IPO Financing Services
“Financing Services Agreement B”	the financing services agreement dated 22 November 2021 entered into by and among GCINT (HK), GCINT AM and Ms. Li for the provision of, among other matters, the IPO Financing Services
“Financing Services Agreements”	collectively, Financing Services Agreement A and Financing Services Agreement B
“GCINT (HK)”	GCINT (HK) Limited 金禧國際證券(香港)有限公司, a company incorporated in Hong Kong which is an indirect wholly-owned subsidiary of the Company and is licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities within the meaning under the SFO
“GCINT AM”	GCINT Asset Management Limited 金禧國際資產管理有限公司, a company incorporated in Hong Kong with limited liability which is an indirect wholly-owned subsidiary of the Company and is licensed to carry on Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities within the meaning under the SFO
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps)

DEFINITIONS

“Independent Financial Adviser”	Capital 9 Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps)
“Independent Shareholders”	Shareholders, other than the Shareholders who have a material interest in the provision of the Non-exempted Loans, or as the case may be, the Financing Services Agreements and the transactions contemplated thereunder (including Mr. Pan, Century Gold and their respective associates)
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“IPO”	initial public offering
“IPO Financing Services”	the provision of loan facilities for the acquisition of securities in IPO on the Stock Exchange
“IPO Loan”	loan provided by GCINT (HK) to the customers of its brokerage business for the purpose of acquiring securities in IPO on the Stock Exchange
“Latest Practicable Date”	24 November 2021, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pan”	Mr. Pan Jibiao, the chairman of the Board, an executive Director and the chief executive officer of the Company, who is also a controlling Shareholder indirectly holding 61.35% of the issued Shares of the Company through Century Gold as at the Latest Practicable Date
“Ms. Li”	Ms. Li Dan, the spouse of Mr. Pan
“Non-exempted Loans”	(a) Loan P1; (b) Loan P2; and (c) Loan P3

DEFINITIONS

“Previous Loans”	the grant of certain IPO Loans to certain connected persons of the Company during the Relevant Period, the details of which are set out in the 1st Announcement
“Relevant Period”	the period from 21 May 2021 to 23 August 2021 wherein the provision of IPO Loans was made by GCINT (HK) to certain connected persons of the Company
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holders of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the term of the Financing Services Agreements, which is from 1 January 2022 to 31 December 2024
“Tier 1 Connected Transaction”	a connected transaction subject to reporting and announcement requirements but exempt from circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules
“Tier 2 Connected Transaction”	a connected transaction which is subject to reporting, announcement, circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules
“%”	per cent



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)

Executive Directors:

Mr. Pan Jibiao (*Chairman and Chief Executive Officer*)

Ms. Shao Yanxia

Independent non-executive Directors:

Mr. Lai Kin Keung

Mr. Yeung Chi Wai

Mr. Wong Man Hung Patrick

Registered office:

45th Floor

Tower 1, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

30 November 2021

To the Shareholders,

Dear Sir or Madam,

**(1) CONNECTED TRANSACTIONS –
PROVISION OF IPO LOANS TO CONNECTED PERSONS; AND
(2) CONTINUING CONNECTED TRANSACTIONS –
FINANCING SERVICES AGREEMENTS**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with, among other things, (i) further details of the Non-exempted Loans; (ii) further details of the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps); (iii) a letter from the Independent Board Committee; (iv) the recommendations of the Independent Financial Adviser; and (v) a notice to convene the EGM to approve, among other things, the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

LETTER FROM THE BOARD

CONNECTED TRANSACTIONS – PROVISION OF IPO LOANS TO CONNECTED PERSONS

Reference is made to the 1st Announcement.

As disclosed in the 1st Announcement, GCINT (HK), an indirect wholly-owned subsidiary of the Company, provides IPO Loans to its customers as part of its brokerage business from time to time. Some of these customers may be connected persons of the Company. During the Relevant Period, GCINT (HK), in its ordinary and usual course of business, granted the Previous Loans to certain connected persons of the Company. Some of these loans are the Non-exempted Loans granted to the Connected Clients which, on an individual and/or aggregated basis, constituted non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules. For details of loans granted to certain connected persons of the Company (other than the Non-exempted Loans), please refer to the 1st Announcement.

The grant of financial assistance to its connected persons constitutes connected transactions of the Company. However, the Company did not announce the Non-exempted Loans and obtain Independent Shareholders' approval in a timely manner in accordance with the requirements of the Listing Rules.

GCINT (HK) has adopted internal control measures on its IPO Loan business, including the credit approval procedure, which are summarised as follows:

- (i) GCINT (HK) maintained a list of connected persons of the Company and make relevant remarks on its client database for the purpose of identification.
- (ii) Following the decision to provide IPO financing services to its clients, the staff of GCINT (HK) would check with brokers and/or banks for loan facilities.
- (iii) As with any other independent clients, the relevant staff of GCINT (HK) would check the account balance of the cash accounts of the connected person to ensure that there is sufficient cash for the relevant IPO application. In the meantime, the relevant staff of GCINT (HK) would check the terms of the IPO Loan to ensure that the terms of the IPO Loan are no more favourable than those offered to clients who are Independent Third Parties.

As a result of the misunderstanding of the implications under Chapter 14A of the Listing Rules, the staff members handling the IPO Loans applications had only taken into account the associated income arising from the IPO Loans (such as commission income, handling fee and interest income) in monitoring the de-minimis threshold under Chapter 14A of the Listing Rules and failed to report the grant of such IPO Loans to the management of the Company.

The Company was not aware of such non-compliance until recently in the course of preparing the Company's consolidated financial statements for the six months ended 30 June 2021 for the preparation of the Group's interim report. As soon as the Company discovered this non-compliance, it immediately sought advice from external professional advisers and then informed the Stock Exchange and published the 1st Announcement to provide details of the Non-exempted Loans.

LETTER FROM THE BOARD

As at the Latest Practicable Date, all IPO Loans (including their respective principal amount and interest thereon) granted to the Connected Clients had been repaid in full and no new IPO Loans would be granted to the Connected Clients on or before 31 December 2021.

Information on the Non-exempted Loans

Set out below are the details of the Non-exempted Loans granted to the Connected Clients during the Relevant Period:

Loan	Date of loan	Duration of loan	Principal amount of loan granted to Mr. Pan <i>(Note 1)</i> <i>(Approximately HK\$'000)</i>	Principal amount of loan granted to Ms. Li <i>(Note 1)</i> <i>(Approximately HK\$'000)</i>	Amount of interest received from Mr. Pan and Ms. Li (on an aggregated basis) <i>(Approximately HK\$)</i>	Classification of transaction under Chapter 14A of the Listing Rules
P1	21/05/2021	6 days	7,883	78,834	39,914	Loan P1 is a Tier 2 Connected Transaction
P2A	08/06/2021	7 days	7,863	-	4,901	Loan P2A is a Tier 1 Connected Transaction
P2B	10/06/2021	7 days	5,963	6,295	7,882	Loan P2B is a Tier 1 Connected Transaction
						Loan P2A and Loan P2B (collectively, "Loan P2"), on an aggregated basis, is a Tier 2 Connected Transaction <i>(Note 2)</i>
P3A	23/06/2021	6 days	5,400	5,400	5,770	Loan P3A is a Tier 1 Connected Transaction
P3B	25/06/2021	7 days	7,763	5,176	8,065	Loan P3B is a Tier 1 Connected Transaction
						Loan P3A and Loan P3B (collectively, the "Loan P3"), on an aggregated basis, is a Tier 2 Connected Transaction <i>(Note 3)</i>

LETTER FROM THE BOARD

Notes:

1. Mr. Pan is an executive Director, the chairman of the Board, chief executive officer and controlling Shareholder. Ms. Li is the spouse of Mr. Pan. For the purpose of each of Loan P1 to Loan P3, as Mr. Pan and Ms. Li are parties who are connected with one another and pursuant to Rule 14A.82(1) of the Listing Rules, the principal amount of loan granted to Mr. Pan and Ms. Li were aggregated as if they were one transaction for the purpose of determining the applicable percentage ratio under Chapter 14 of the Listing Rules.
2. As the loan period of Loan P2A and Loan P2B overlapped with each other, Loan P2A and Loan P2B are aggregated as if they were one transaction for the purpose of determining the applicable percentage ratio under Chapter 14 of the Listing Rules.
3. As the loan period of Loan P3A and Loan P3B overlapped with each other, Loan P3A and Loan P3B are aggregated as if they were one transaction for the purpose of determining the applicable percentage ratio under Chapter 14 of the Listing Rules.

As at the date of the 1st Announcement, the Non-exempted Loans and the interests accrued thereon were fully repaid by the Connected Clients and there was no outstanding IPO Loan owing from the Connected Clients to the Group.

The terms and conditions of each of the Non-exempted Loans (including the interest rates) were conducted on normal commercial terms and negotiated on an arm's length basis between the parties.

Information on the parties involved

Mr. Pan is an executive Director, the chairman of the Board, chief executive officer and controlling Shareholder of the Company indirectly holding approximately 61.35% of the issued Shares of the Company. Ms. Li is the spouse of Mr. Pan and hence is an associate of Mr. Pan. Mr. Pan and Ms. Li are connected persons of the Company under Chapter 14A of the Listing Rules.

GCINT (HK) is a company incorporated in Hong Kong with limited liability and is licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO and is principally engaged in the provision of securities brokerage and margin financing services.

The Group is principally engaged in coalbed methane business, electronic components business, financial business, wealth management business, proprietary investment business and comprehensive healthcare business.

Reasons for and the benefits of the provision of the Non-exempted Loans

The Directors considered that the provision of the Non-exempted Loans to the Connected Clients enabled the Group to generate reasonable return, which were conducted on normal commercial terms. The provision of the Non-exempted Loans was conducted in the ordinary and usual course of business of the Group and would strengthen the revenue-generating ability of the Group.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) considered that the provision of the Non-exempted Loans are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole.

The Directors confirmed that, save for Mr. Pan, none of them have a material interest in the Non-exempted Loans. As such, Mr. Pan had not participated in the discussions of the relevant resolution in the relevant Board meeting and abstained from voting on the Board resolution on approving, confirming and ratifying the Non-exempted Loans relevant to him or his associates.

Remedial actions

Reference is made to the announcement and circular of the Company dated 19 February 2021 and 24 May 2021 respectively. The Company failed to comply with the requirements of the Listing Rules in respect of a connected transaction under an insurance brokerage agreement which was entered into with a connected person of the Company. The incident was due to the careless omission to report to the Company when the relevant department of the Group dealt with the connected transaction. After that, the Company has taken the following measures to enhance the internal control:

- (1) an internal memo was issued to all the Directors and department heads of the Group (“**Department Heads**”) on 18 May 2021 that the connected transaction requirements under Chapter 14A of the Listing Rules must be strictly complied with and they shall keep the Company informed of any transactions which may involve connected person(s) of the Company;
- (2) officers of the finance and company secretarial department of the Group and the senior management of the Group reminded the responsible officers of GCINT (HK) and GCINT AM and the respective management of the financial sector verbally on various occasions of the importance of compliance issues in relation to the securities trading business of the Group; and
- (3) relevant internal training sessions in respect of Chapter 14A of the Listing Rules has been arranged for and attended by all the Directors, Department Heads and relevant personnel of the Group.

As disclosed in the announcement of the Company dated 27 August 2021 in respect of the interim results for the six months ended 30 June 2021, the blazing IPO market in the first half of 2021 provided a business opportunity to the Group’s securities brokerage business, which was in its early stage of development. The failure of the Company to announce the Non-exempted Loans and obtain Independent Shareholders’ approval in a timely manner was caused by the misunderstanding of the implications under Chapter 14A of the Listing Rules. In particular, the staff members handling the IPO Loans applications had only taken into account the associated income arising from the IPO Loans (such as commission income, handling fee and interest income) in monitoring the de-minimis threshold under Chapter 14A of the Listing Rules and that

LETTER FROM THE BOARD

the relevant terms of the transaction are no more favourable than those offered to clients who are Independent Third Parties.

In order to prevent the occurrence of similar incidents and ensure compliance with the relevant requirements of the Listing Rules in the future, the Company will adopt the following additional remedial measures:

- (1) enhancing the Group's internal control system by, among other things, (i) adopting and implementing internal monitoring policies on connected transactions and connected persons; (ii) providing the management of each business unit with a list of the connected persons of the Company on a regular basis and making timely updates; (iii) requiring pre-approval of the Company for any transactions with connected persons; (iv) monitoring the monthly transactions with connected persons to ensure that better coordination and report of connected transactions among various business units of the Company which are responsible for reporting, monitoring and handling connected transactions;
- (2) organising training sessions for staff members responsible for handling connected transactions so as to update and refresh their knowledge and understanding on the requirements of the Listing Rules about the rules on connected transactions; and
- (3) proposed engagement of an external internal control consultant to conduct review on the connected transaction monitoring and reporting procedures of the Group.

The Board considers that the additional remedial measures proposed would be able to effectively prevent the occurrence of similar incidents in the future because (i) a comprehensive procedure would be in place to monitor the procedure of granting IPO Loans to connected persons of the Company; (ii) formal written agreements (including the Financing Services Agreements) would be executed to govern the terms of the continuing connected transactions in relation to the grant of the IPO Loans to the connected persons of the Company; and (iii) additional monitoring measures such as regular updating of list of connected persons and monthly transactions reports has been put in place to strengthen the monitoring mechanism at the Group level.

To cope with the need to grant future IPO Loans to the connected persons of the Company, the Company has entered into the Financing Services Agreements with the Connected Clients to govern the terms and conditions of the provision of IPO Loans to connected persons of the Company. The details of the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) are set out in the section headed "THE FINANCING SERVICES AGREEMENTS" of this circular.

LETTER FROM THE BOARD

THE FINANCING SERVICES AGREEMENTS

Reference is made to the 2nd Announcement.

As disclosed in the 2nd Announcement, on 22 November 2021 (after trading hours), GCINT (HK) and GCINT AM, both being wholly-owned subsidiaries of the Company, entered into, among others, the Financing Services Agreements with each of the Connected Clients, pursuant to which GCINT (HK) agrees to provide, among others, the IPO Financing Services to each Connected Client upon request of the relevant Connected Client and/or GCINT AM in the capacity of the investment manager of the Connected Clients for a term commencing from 1 January 2022 to 31 December 2024 subject to the terms and conditions contained therein. As regards the details of the financing services agreement dated 22 November 2021 entered into by and among GCINT (HK), GCINT AM and Ms. Shao Yanxia, an executive Director, please refer to the 2nd Announcement.

Set out below are the key terms of the Financing Services Agreements:

Date

22 November 2021

Parties

Financing Services Agreement A

- (1) GCINT (HK), a wholly-owned subsidiary of the Company;
- (2) GCINT AM, a wholly-owned subsidiary of the Company; and
- (3) Mr. Pan, an executive Director, the chairman of the Board, chief executive officer and controlling Shareholder of the Company.

Financing Services Agreement B

- (1) GCINT (HK);
- (2) GCINT AM; and
- (3) Ms. Li, the spouse of Mr. Pan.

Term

The Financing Services Agreements shall commence on 1 January 2022 and end on 31 December 2024 (both days inclusive).

LETTER FROM THE BOARD

Subject matter

Subject to the terms and conditions of the Financing Services Agreements, GCINT (HK) may, upon the request by the Connected Clients and/or GCINT AM in the capacity of the investment manager of the Connected Clients, provide IPO Financing Services to the Connected Clients from time to time during the Term.

The grant of the IPO Loans under the IPO Financing Services shall be subject to the terms and conditions of the relevant Financing Services Agreement and separate standard client agreement, form(s), letter(s) and/or other document(s) in form which are applicable to all clients of GCINT (HK) from time to time.

Maximum Amount of IPO Loans

The total maximum amount of loan(s) to be advanced to each Connected Client and his/her associate(s), when aggregated with the then outstanding sum owing by the relevant Connected Client and/or his/her associate(s) at that time, shall not exceed the relevant annual caps at any one time during the Term.

Condition precedent

The Financing Services Agreements and the transactions contemplated thereunder are conditional upon the passing of the relevant resolution by the Independent Shareholders at the EGM.

Pricing terms

The amount of interests to be charged by the Group and payable by the Connected Clients in respect of the IPO Financing Services shall be at the interest rate (i) on normal commercial terms, negotiated on an arm's length basis between the parties to the Financing Services Agreement and/or on terms no less favourable to the Group than those offered to other clients who are Independent Third Parties for comparable services; and (ii) in accordance with the relevant pricing policy of the Group which is applicable to all of its clients which may be adjusted from time to time.

GCINT (HK) determines the interest rate charged for each IPO financing with reference to, among other things, availability of fund and cost of funding of GCINT (HK) at the relevant time, the prevailing interest rates offered by other brokers in the market, market sentiment for the relevant IPO case, credit history and trading record of the client.

Prior to the entering into the Financing Services Agreements, interest has been charged by the Group at the rate of 3.25% per annum or above of the IPO loan amount according to the existing general policy of GCINT (HK), which may vary from case to case on each IPO. The rates may vary widely in accordance with the working capital requirement of GCINT (HK) and the prevailing market condition. The interest rates to be

LETTER FROM THE BOARD

charged to the connected persons of the Company will be determined based on the same pricing methodology as stated above. Such rate is applied across all clients with discounts sometimes given to customers (including clients who are Independent Third Parties and the Connected Clients).

Payment Terms

The Connected Clients shall repay and/or settle the full amount of the loan(s) and the interest accrued in accordance with standard client agreement of GCINT (HK), form(s), letter(s) and/or other document(s) in form which are applicable to all clients of GCINT (HK) from time to time.

Proposed annual caps

The proposed annual caps for the IPO Financing Services under the Financing Services Agreements are set out below:

Name of Connected Clients	Annual cap during the year ending 31 December (Note 1)		
	2022	2023	2024
Mr. Pan and Ms. Li (on an aggregated basis) (Note 2)	HK\$110,000,000	HK\$110,000,000	HK\$110,000,000

Notes:

1. The annual cap for the IPO Financing Services represents the maximum outstanding amount of the IPO Loans which may be provided to the Connected Client and his/her associate(s) at all times during the relevant year.
2. Mr. Pan is an executive Director, the chairman of the Board, chief executive officer and controlling Shareholder. Ms. Li is the spouse of Mr. Pan and hence an associate of Mr. Pan. As Mr. Pan and Ms. Li are parties who are connected with one another, the annual caps for the IPO Financing Services for Mr. Pan and Ms. Li are determined on an aggregated basis.

The proposed annual caps for the IPO Financing Services under the Financing Services Agreements are determined with reference to (i) the Connected Clients' historical demand for IPO Loans as indicated by the amount of IPO Loans granted to them during the Relevant Period; and (ii) the prevailing active Hong Kong IPO market.

The total amount of IPO Loans to be granted, and the amount to be granted to each client (including clients who are Independent Third Parties and the Connected Clients), vary between different IPO cases as the total amount for each IPO case would be determined principally based on (i) the availability of loan facilities from brokers and/or banks and working capital requirement of GCINT (HK) at the relevant time (“**Available Funds**”); (ii) market demand for IPO Loans in such IPO case; and (iii) the total amount of IPO Loans to be applied for by its client(s) in such IPO case. The amount to be granted to

LETTER FROM THE BOARD

each particular client in each IPO case will be allocated on a first-come-first-served basis according to the time of making application for such IPO Loans and the respective amount of IPO Loans applied by each client, subject to the amount of Available Funds. This allocation mechanism enables GCINT (HK) to promptly secure orders from all its independent clients or the Connected Clients to generate interest income, preventing any of such clients from switching to other competing securities houses instead, and thereby pursuing a diversified client portfolio of GCINT (HK) as far as no favourable treatment is offered to any connected persons of the Company. In addition, as (a) the size of IPO Loans granted to each particular client (including clients who are Independent Third Parties and the Connected Clients) generally varies in different IPO cases due to factors (i) to (iii) above, while (b) the size of the annual cap is determined with reference to, among others, the Connected Clients' historical demand for IPO Loans, rather than factors (i) to (iii) above, there is no direct relationship between (a) and (b), so it is considered not appropriate to compare the size of the IPO Loans offered to independent clients and the Connected Clients.

Given that (i) the IPO Financing Services would be provided to all clients (including connected persons of the Company and clients who are Independent Third Parties) based on the general policy of GCINT (HK); (ii) only approximately 14% of the IPO Loan interest income of GCINT (HK) in the first eight months in 2021 was generated from Mr. Pan and Ms. Li together; and (iii) it is the general policy of GCINT (HK) to allocate fund to IPO Loan clients, no matter connected or not, on a first-come-first-served basis which is in line with the industry practice, the Directors envisage that the securities brokerage business would not rely heavily on the Connected Clients and therefore has commercial substance. On the above basis, it is also considered that the proposed annual caps would not crowd out business opportunities with third parties.

Internal control measures

Set out below are the standard internal control measures of GCINT (HK) in conducting its business in relation to the IPO Financing Services:

- (i) the management of GCINT (HK) assesses market perception and demand for an IPO and consider whether the IPO financing services should be provided to its clients and if so, the relevant IPO financing loan ratio and interest rate to be charged. The IPO financing loan ratio is determined with reference to, among other things, availability of fund and cost of funding of GCINT (HK) at the relevant time, the prevailing interest rates offered by other brokers in the market, market sentiment for the relevant IPO case, credit history and trading record of the client; and
- (ii) following the decision to provide IPO financing services to its clients, the relevant operation staff of GCINT (HK) will check if the lending bank(s) of GCINT (HK) and/or other brokers for the provision of IPO facility in order to provide IPO financing services to GCINT (HK)'s clients. If an IPO facility is

LETTER FROM THE BOARD

available from the lending bank and/or brokers of GCINT (HK), the sales support team shall collect indicative demand from clients. The staff of credit and risk control function shall also perform credit checks upon receipt of each client's application to ensure that there is no multiple application for the same IPO and sufficient deposit in the client's account.

In addition to the standard internal control policy above, GCINT (HK) will adopt the following additional internal control measures in respect of the IPO Financing Services to be provided to the connected persons of the Company:

- (i) the operation staff shall ensure that the interest rate to be charged and IPO financing loan ratio applicable to the connected persons of the Company (including the Connected Clients) are no more favourable than those to be offered to other clients who are Independent Third Parties for the same IPO application;
- (ii) the operation staff shall, for each IPO application received from the connected persons of the Company (including the Connected Clients), ensure that the terms of the IPO financing are in accordance with GCINT (HK)'s policy and the relevant Financing Services Agreement, and the aggregate amount of loans outstanding and to be granted does not exceed the relevant annual caps;
- (iii) GCINT (HK) shall ensure that the allocation of facilities is fair and no more favourable to the connected persons of the Company (including the Connected Clients) as compared to other clients who are Independent Third Parties. Subject to the Available Funds at the relevant time, the management of GCINT (HK) shall allocate the Available Funds to its clients (including the connected persons of the Company and the Independent Third Parties) on a first-come-first-served basis for a specific IPO based on their time of making the application for such IPO Loans. The first-come-first-served basis is commonly adopted by other securities houses in Hong Kong for similar IPO financing services and hence is in line with industry practice. This allocation mechanism enables GCINT (HK) to promptly secure orders from all its independent clients or the Connected Clients to generate interest income, preventing any of such clients from switching to other competing securities houses instead, and thereby pursuing a diversified client portfolio of GCINT (HK) as far as no favourable treatment is offered to any connected persons of the Company;
- (iv) the staff of credit and risk control function would monitor the utilisation of the annual caps under the Financing Services Agreements and if the utilisation of the relevant annual caps reaches 80% threshold, the relevant business unit is required to obtain clearance from the finance and company secretarial department before entering into new transactions in compliance with the Listing Rules;

LETTER FROM THE BOARD

- (v) the finance and company secretarial department will obtain monthly reports from GCINT (HK) to monitor the utilisation of the relevant annual caps and will provide notification and reminder from time to time to the relevant staff of GCINT (HK);
- (vi) the independent non-executive Directors will perform an annual review pursuant to Rule 14A.55 of the Listing Rules on whether the transactions contemplated under the Financing Services Agreements are conducted (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the Financing Services Agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- (vii) pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company will report on, among others, (a) whether the transactions contemplated under the Financing Services Agreements have been approved by the Board; (b) whether the transactions contemplated under the Financing Services Agreements are in accordance with the pricing policies of the Group; (c) whether the transactions have been entered into in accordance with the Financing Services Agreements; and (d) whether the relevant annual caps have been exceeded.

Information on the parties involved

As regards the information on the Group, GCINT (HK), Mr. Pan and Ms. Li, please refer to the section headed “CONNECTED TRANSACTIONS – PROVISION OF IPO LOANS TO CONNECTED PERSONS – Information on the parties involved” of this circular.

GCINT AM is a company incorporated in Hong Kong with limited liability and is licensed to carry on Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO and is principally engaged in asset management and advising on securities.

Reasons for and benefits of entering into the Financing Services Agreement

The Directors considered that the entering into of the Financing Services Agreements allows flexibility of the Group to provide the financial services to the Connected Clients and is in line with the Group’s development of its financial business segment. The proposed annual caps allow the Group to participate in corporate exercise and/or investment opportunities of its clients in a timely manner which is beneficial to the Group’s revenue.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) considered that the Financing Services Agreements are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Directors confirmed that, save for Mr. Pan, none of them have a material interest in the Financing Services Agreements and the transactions contemplated thereunder. As such, Mr. Pan had not participated in the discussions of the relevant resolution in the relevant Board meeting and abstained from voting on the Board resolution regarding the Financing Services Agreements and the transactions contemplated thereunder.

In addition to the IPO Financing Services, GCINT (HK) provides, from time to time, securities brokerage services and margin financing services to its customers, including the Connected Clients. GCINT AM has also entered into discretionary investment management agreements with the Connected Clients pursuant to which GCINT AM shall provide investment management services to the Connected Clients in return for management fees and performance fees. The Group will monitor the transaction amounts in respect of these services from time to time and comply with announcement, circular and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules where applicable.

IMPLICATIONS UNDER THE LISTING RULES

Provision of the Non-exempted Loans

As the highest applicable percentage ratio (as defined under the Listing Rules) exceeds 5% and the total value of the financial assistance plus any monetary advantage to the connected person is more than HK\$10,000,000, the provision of each of the Non-exempted Loans is subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into of the Financing Services Agreements

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the annual caps for the IPO Financing Services contemplated under the Financing Services Agreements exceeds 5% and the annual amount is more than HK\$10,000,000, the IPO Financing Services contemplated under the Financing Services Agreements are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

GENERAL

An Independent Board Committee, comprising Mr. Lai Kin Keung, Mr. Yeung Chi Wai and Mr. Wong Man Hung Patrick, being all the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

Capital 9 Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps). Shareholders who have a material interest in the provision of the Non-exempted Loans, or as the case may be, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) are required to abstain from voting on the relevant resolution(s) proposed at the EGM. As at the Latest Practicable Date, Century Gold held 1,505,604,864 Shares, representing approximately 61.35% of the total issued Shares of the Company. Century Gold is wholly owned by Mr. Pan and is therefore an associate of Mr. Pan. As such, Mr. Pan, Century Gold and their respective associates shall abstain from voting on the resolution(s), to be proposed at the EGM, to approve the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

To the best of the Directors' knowledge, information and belief, save as disclosed above, no other Shareholder is required to abstain from voting on the resolution(s), to be proposed at the EGM, to approve the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

THE EGM

A notice convening the EGM to be held at 45/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong at 10:30 a.m. on Thursday, 16 December 2021 is set out on pages EGM-1 to EGM-4 of this circular. The EGM will be held for the Independent Shareholders to consider and, if thought fit, pass the resolutions to approve, among other things, the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy to the Company's share register, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon

LETTER FROM THE BOARD

as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

For determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 13 December 2021 to Thursday, 16 December 2021 (both days inclusive) during which period no transfer of the Shares will be registered. In order to qualify for entitlement to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 10 December 2021.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 21 to 22 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolutions to approve the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps); (ii) the letter from the Independent Financial Adviser set out on pages 23 to 35 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps); and (iii) additional information set out in the appendix to this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) are fair and reasonable in so far as the Company and the Independent Shareholders are concerned and the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in respect of the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

The Board considers that the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) are fair and reasonable in so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of the resolutions in respect of the provision of the Non-exempted Loans,

LETTER FROM THE BOARD

the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 21 to 22 of this circular, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 23 to 35 of this circular and the information set out in the appendix to this circular.

Yours faithfully

By order of the Board

Golden Century International Holdings Group Limited

Pan Jibiao

Chairman and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee, setting out its recommendation to the Independent Shareholders in relation to the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps), prepared for the purpose of incorporation into this circular.



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)

30 November 2021

To the Independent Shareholders

Dear Sir or Madam,

(1) CONNECTED TRANSACTIONS – PROVISION OF IPO LOANS TO CONNECTED PERSONS; AND (2) CONTINUING CONNECTED TRANSACTIONS – FINANCING SERVICES AGREEMENTS

We refer to the circular (the “**Circular**”) dated 30 November 2021 issued by the Company of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the provision of the Non-exempted Loans, the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) are fair and reasonable, whether the transactions contemplated above are on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Capital 9 Limited has been appointed by the Company as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of the advice from the Independent Financial Adviser are contained in its letter set out on pages 23 to 35 of this circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendix to the Circular.

Having taking into account the terms of the Non-exempted Loans and the advice from the Independent Financial Adviser, we consider that the terms of the Non-exempted Loans are (i) in the ordinary and usual course of the business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve, confirm and ratify the provision of the Non-exempted Loans.

Having taking into account the terms of the Financing Services Agreements and the advice from the Independent Financial Adviser, we consider that the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps) are (i) in the ordinary and usual course of the business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Financing Services Agreements and the transactions contemplated thereunder (including the related annual caps).

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Lai Kin Keung
*Independent non-executive
Director*

Mr. Yeung Chi Wai
*Independent non-executive
Director*

Mr. Wong Man Hung Patrick
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the provision of Non-exempted Loans and the entering into of the Financing Services Agreements and the transactions contemplated thereunder for the purpose of incorporation into this circular.



Capital 9 Limited

Unit 1219, 12/F
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

30 November 2021

*To the Independent Board Committee and the Independent Shareholders of
Golden Century International Holdings Group Limited*

Dear Sir/Madam,

**(1) CONNECTED TRANSACTIONS –
PROVISION OF IPO LOANS TO CONNECTED PERSONS; AND
(2) CONTINUING CONNECTED TRANSACTIONS –
FINANCING SERVICES AGREEMENTS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Non-exempted Loans and (ii) entering into of the Financing Services Agreements and the related annual caps, particulars of which are set out in the section headed “Letter from the Board” (“**Letter from the Board**”) contained in the circular of the Company dated 30 November 2021 (“**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the Announcements. The Non-exempted Loans were granted to Mr. Pan and/or Ms. Li during the Relevant Period. On 22 November 2021, GCINT (HK) and GCINT AM, both being wholly-owned subsidiaries of the Company, entered into the Financing Services Agreements with each of the Connected Clients, including Mr. Pan and Ms. Li, pursuant to which GCINT (HK) agrees to provide, among others, IPO Financing Services to each Connected Client upon request of the relevant Connected Client and/or GCINT AM in the capacity of the investment manager of the Connected Clients for a term commencing from 1 January 2022 to 31 December 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Pan is an executive Director, the chairman of the Board, chief executive officer and the controlling shareholder of the Company. Ms. Li is the spouse of Mr. Pan and hence is an associate of Mr. Pan. Hence, Mr. Pan and Ms. Li are connected persons of the Company under Chapter 14A of the Listing Rules.

In respect of each of the Non-exempted Loans, the highest applicable percentage ratio (as defined under the Listing Rules) exceeds 5% and the total value of the financial assistance plus any monetary advantage to Mr. Pan and Ms. Li (on an aggregated basis) is more than HK\$10,000,000. In respect of the annual caps for the IPO Financing Services contemplated under the Financing Services Agreements, the highest applicable percentage ratio exceeds 5% and the annual amount is more than HK\$10,000,000. Accordingly, the provision of (i) the Non-exempted Loans and (ii) the IPO Financing Services contemplated under the Financing Services Agreements constitutes connected transactions and continuing connected transactions respectively for the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements.

As at the Latest Practicable Date, Mr. Pan indirectly holds 1,505,604,864 Shares, representing approximately 61.35% of the total issued Shares, through Century Gold. Accordingly, Century Gold, being wholly owned by Mr. Pan, shall abstain from voting on the relevant resolutions approving the provision of Non-exempted Loans and the entering into of the Financing Services Agreements and the transactions contemplated thereunder at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of whether the provision of (i) the Non-exempted Loans and (ii) the IPO Financing Services under the Financing Services Agreements are in the ordinary and usual course of business of the Group, are on normal commercial terms or better, and, together with the annual caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give independent opinion to the Independent Board Committee for it to advise the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our view and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors and/or the management of the Group contained or referred to in the Circular, including but not limited to the Letter from the Board contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors and/or the management of the Group in the Circular, including but not limited to the Letter from the Board contained therein, were reasonably made after due and careful enquiry and the expectations and intentions made by

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Company, the Directors and/or the management of the Group will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to reach an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors and/or the management of the Group. We have been confirmed by the Company that no material facts have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Circular.

We have not, however, carried out any independent verification of the information provided by the Company, the Directors and/or the management of the Group, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group, the counter-party to the Non-exempted Loans and the Financing Services Agreements, or any of its respective subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company.

The Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the Circular 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 in the Circular misleading.

As at the Latest Practicable Date, we were not aware of any relationships between us and, nor any interests held by us in, the Company or the counter-party to the Non-exempted Loans and the Financing Services Agreements that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. In the past two years preceding the Latest Practicable Date, Capital 9 Limited has acted as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the insurance brokerage agreement as detailed in the circular of the Company dated 24 May 2021. Capital 9 Limited received normal professional fees from the Company under such engagement. Save for the aforesaid engagement, there was no engagement between the Company and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we had received any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the provision of Non-exempted Loans and the entering into of the Financing Services Agreements and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the provision of the Non-exempted Loans and the entering into of the Financing Services Agreements, we have taken into consideration the following principal reasons and factors:

(1) Background of and reasons for (i) the provision of the Non-exempted Loans; and (ii) the entering into of the Financing Services Agreements

(i) Non-exempted Loans

GCINT (HK) is a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) and is principally engaged in the provision of securities brokerage and margin financing services. It provides loan facilities to its clients for the subscription of securities in IPO and other listed securities on the Stock Exchange.

Nine and seven IPO Loans, including the Non-exempted Loans, were granted by GCINT (HK) to Mr. Pan and Ms. Li respectively during the Relevant Period. As advised by the Company, GCINT (HK) recorded interest income of approximately HK\$656,000 from the provision of IPO Loans in the first eight months in 2021, of which approximately HK\$90,000 or 14% in aggregate was generated from Mr. Pan and Ms. Li.

(ii) Financing Services Agreements

Mr. Pan and Ms. Li have become securities clients of GCINT (HK) since March 2021 and May 2021 respectively. As mentioned above, they were granted a number of IPO Loans, including the Non-exempted Loans, and approximately 14% of the IPO Loan interest income of GCINT (HK) in the first eight months in 2021 was generated from them. As advised by the Company, they are clients of good credit standing and history and had a good trading record.

In compliance with the Listing rules and in order to continue to provide IPO Financing Services to Mr. Pan and Ms. Li, GCINT (HK) and GCINT AM entered into the Financing Services Agreements with each of them on 22 November 2021, pursuant to which GCINT (HK) shall provide, among others, IPO Financing Services to them for a term from 1 January 2022 to 31 December 2024 (both days inclusive).

After considering (i) the provision of the IPO Loans, including the Non-exempted Loans to Mr. Pan and Ms. Li during the Relevant Period, and the continuing provision of IPO Financing Services under the Financing Services Agreements to them was and is in line with the principal business of GCINT (HK); (ii) Mr. Pan and Ms. Li are

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

securities clients of GCINT (HK) with good credit standing, credit history and trading record in the view of the Group, who contributed to a major portion of IPO Loan interest income to the Group in the first eight months in 2021; and (iii) the entering into of the Financing Services Agreements allows GCINT (HK) to continue to provide IPO Financing Services to Mr. Pan and Ms. Li from 2022 to 2024, and does not restrict GCINT (HK) from providing similar services to other clients to generate interest income, we concur with the Director's view that the provision of Non-exempted Loans and the entering into of the Financing Services Agreements to provide IPO Financing Services are in the ordinary and usual course of business and in the interests of the Company and its Shareholders as a whole.

(2) Terms of (i) the Non-exempted Loans and (ii) the Financing Services Agreements

(i) Non-exempted Loans

As stated in the Letter from the Board and related transaction documents provided by the Company, the principal terms of the Non-exempted Loans granted to Mr. Pan and Ms. Li are as follows:

Non-exempted Loan (Note 1)	Date of loan	Duration of loan	Principal amount of loan granted to Mr. Pan	Principal amount of loan granted to Ms. Li	Amount of interest received from Mr. Pan and Ms. Li on an aggregated basis	Classification of transaction under Chapter 14A of the Listing Rules
			(interest rate per annum) (Note 2) Approximately HK\$	(interest rate per annum) (Note 2) Approximately HK\$	Approximately HK\$	
P1	21/5/2021	6 days	7,883,000 (2.8%)	78,834,000 (2.8%)	39,914	Loan P1 is a Tier 2 Connected Transaction
P2A	8/6/2021	7 days	7,863,000 (3.25%)	–	4,901	Loan P2 (including P2A and P2B), on an aggregated basis, is a Tier 2 Connected Transaction
P2B	10/6/2021	7 days	5,963,000 (3.25%)	6,295,000 (3.45%)	7,882	
P3A	23/6/2021	6 days	5,400,000 (3.25%)	5,400,000 (3.25%)	5,770	Loan P3 (including P3A and P3B), on an aggregated basis, is a Tier 2 Connected Transaction
P3B	25/06/2021	7 days	7,763,000 (3.25%)	5,176,000 (3.25%)	8,065	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Each of the five loans, including P1, P2A, P2B, P3A and P3B, represented one IPO Loan granted by GCINT (HK) to Mr. Pan and/or Ms. Li for his/her subscription of one IPO case in Hong Kong.
2. For the purpose of each of the five loans, as Mr. Pan and Ms. Li are parties who are connected with one another and pursuant to Rule 14A.82(1) of the Listing Rules, the principal amount of loan granted to Mr. Pan and Ms. Li were aggregated as if they were one transaction for the purpose of determining the applicable percentage ratio under Chapter 14 of the Listing Rules.

We understood from the Company that each of the loans among the Non-exempted Loans was related to one IPO case in Hong Kong in 2021. We have requested and obtained from the Company (i) the list of IPO Loan granted by GCINT (HK) to its clients for all the five IPO cases above (“**IPO Loan Lists**”), which set out key information on, in particular, name and account number of client, IPO subscription amount, loan ratio and amount granted by GCINT (HK), loan period, interest rate and interest amount charged by GCINT (HK); and (ii) related transaction documents, such as subscription and application forms for IPO and IPO Loan and/or account statement of one Connected Client (that is, either Mr. Pan or Ms. Li) and one independent client in two out of the aforesaid five IPO cases, which showed the loan principal and ratio, interest amount, loan period and repayment/settlement date of loan principal and interest.

Loan principal/loan ratio

As shown in the table above, IPO Loan of approximately HK\$5.2 million to HK\$78.8 million were granted to Mr. Pan or Ms. Li for financing his or her subscription in an IPO case during the Relevant Period.

As confirmed by the Company, it is GCINT (HK)’s general policy to grant IPO loan of an amount up to around 98% of the IPO subscription amount of a client in an IPO case.

We noted from the IPO Loan Lists and the related transaction documents that the loan ratio granted by GCINT (HK) to Mr. Pan and/or Ms. Li in each of the aforesaid five IPO cases ranged from 60% to 95%, which are in line with the policy of GCINT (HK) and falls within the range of 20% to 98% granted by it to its independent clients in the relevant IPO cases.

Interest rate

As confirmed by the Company, it is GCINT (HK)’s general policy to charge its IPO Loan clients, including independent and connected clients, an interest of 3.25% or above per annum of the loan amount for the loan period, calculated on daily basis based on 365 days per year. The rates may vary in accordance with

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

various factors, particularly, available unutilised financing facilities or working capital of GCINT (HK) and its cost of funding at the relevant time, the prevailing market condition and discount (if any) to be offered by GCINT (HK).

We noted from the IPO Loan Lists and the related transaction documents that the interest rate charged by GCINT (HK) from Mr. Pan and Ms. Li varied in the aforesaid five IPO cases, ranging from 2.8% to 3.45% per annum for the respective loan period. In addition, there were independent clients who were charged the same interest rate as, or even a lower interest rate than, that of Mr. Pan and Ms. Li in the same IPO cases.

We also noted that Mr. Pan and some independent clients, who were granted IPO Loans of comparable size and terms, were charged an interest rate of 2.8% per annum in the first IPO case stated in the table above, which was lower than the normal interest rate charged by GCINT (HK). As advised by the Company, that was a promotion offer to staff of the Group and independent major clients in order to attract IPO subscription by use of IPO Loans. Ms. Li was also charged an interest rate of 2.8% per annum for her portion of Loan P1 of a principal amount which was much higher than that of Mr. Pan and the aforesaid independent clients. We understood from the Company that GCINT (HK) had available unutilized financing facilities at the relevant time, thus was able to grant her a loan principal amount based on the IPO Loan amount she applied for and the loan ratio granted to her. The Directors confirmed that the offering of such IPO Loan to Ms. Li had undergone the normal approval procedures of GCINT (HK) which generally applied to all clients, and was in line with the ordinary course of business and general policy of GCINT (HK). We have reviewed the IPO Loan List of such IPO case and noted that (i) GCINT (HK) had granted IPO Loans to over 170 clients; (ii) the loan application amount of Ms. Li was approximately HK\$87.6 million, which was much higher than that of other clients in the list; and (iii) the loan ratio offered to Ms. Li was 90%, which was within the range of 60% to 98% offered by GCINT (HK) to independent clients in such case. Taking into account the factors above, we concur with the Directors' view that the promotional interest rate of 2.8% per annum for P1 is fair and reasonable and in the interest of the Company and the Shareholders.

After discussion with the Company, it is understood that the loan ratio granted and interest rate charged by GCINT (HK) for IPO Loan varied in different IPO cases as such ratio and rate were determined by the Company taking into consideration of a number of factors, among others, availability of fund and cost of funding of GCINT (HK) at the relevant time, the prevailing interest rates offered by other brokers in the market, market sentiment for the relevant IPO case, credit history and trading record of client. This determination process of loan ratio and interest rate applies on all the clients of GCINT (HK).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Payment terms

We noted from the related transaction documents of Mr. Pan, Ms. Li and independent clients that all of them were required to repay the loan principal and settle the interest payment in cash, which were deducted by GCINT (HK) from their securities accounts, on the day immediately following the last day of the loan period, which was the date on which IPO allotment results was published by the relevant new listed issuer.

(ii) Financing Services Agreements

On 22 November 2021, GCINT (HK) and GCINT AM entered into the Financing Services Agreements with the Connected Clients, including the Financing Services Agreement A with Mr. Pan and the Financing Services Agreement B with Ms. Li respectively, pursuant to which the principal terms are as follows:

Services:	Subject to the terms and conditions of the Financing Services Agreements and standard client agreement of GCINT (HK), form(s), letter(s) and/or other document(s) in form which are applicable to all clients of GCINT (HK) from time to time, GCINT (HK) may, upon request by the Connected Clients and/or GCINT AM in the capacity of the investment manager of the Connected Clients, provide IPO Financing Services, to the Connected Clients from time to time during the Term.
Term:	From 1 January 2022 to 31 December 2024 (both days inclusive).
Maximum amount of IPO Loans:	The total maximum amount of loan(s) to be advanced to each Connected Client and his/her associate(s), when aggregated with the then outstanding sum owing by the relevant Connected Client and/or his/her associate(s) at that time, shall not exceed HK\$110,000,000 for Mr. Pan and Ms. Li on an aggregated basis at any one time during the Term.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing terms: The amount of interest to be charged by GCINT (HK) and payable by the Connected Clients in respect of the IPO Financing Services shall be at the interest rate:

- (i) on normal commercial terms, negotiated on an arm's length basis between the parties to the Financing Services Agreement and on terms no less favourable to the Group than those offered to other clients who are Independent Third Parties for comparable services; and
- (ii) in accordance with the relevant pricing policy of the Group which is applicable to all of its clients which may be adjusted from time to time.

Payment terms: The Connected Clients shall repay and/or settle the full amount of the loan(s) and the interest accrued in accordance with standard client agreement of GCINT (HK), form(s), letter(s) and/or other document(s) in form which are applicable to all clients of GCINT (HK) from time to time.

Loan ratio/interest rate/payment terms

As confirmed by the Company, the (a) determination process and factors of loan ratio and interest rate and (b) payment terms offered by GCINT (HK) for IPO Financing Services under the Financing Services Agreement will follow that in granting the IPO loans to Mr. Pan, Ms. Li and independent clients as discussed in the paragraphs headed "(i) Non-exempted Loans" above.

In addition, the Company will ensure that the terms offered to the Connected Clients will be no less favourable to the Group than those offered to independent clients.

We have also obtained and reviewed the account opening agreement of each of the Connected Clients and an independent client of GCINT (HK), being the standard client agreement adopted by GCINT (HK) for its general clients to open securities account as confirmed by the Company, and noted that the terms and conditions are the same.

Taking into consideration that (i) the terms under the Non-exempted Loans are considered to be no less favourable to the Group than those to independent clients as discussed above; (ii) the aforesaid determination basis of loan ratio, interest rate and payment terms under the Financing Services Agreements will follow that of the Non-exempted Loans and apply to IPO Loans to be granted to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

other clients generally as confirmed by the Company, we concur with the Directors' view that the terms of the Non-exempted Loans and the Financing Services Agreements are on normal commercial terms and fair and reasonable.

(3) Annual caps

Set out below are the annual caps (i.e. the maximum outstanding amount at all time during the year) of IPO Financing Services under the Financing Services Agreements proposed to be provided by GCINT (HK) to each of the Connected Clients for each of the three years ending 31 December 2022, 2023 and 2024:

Name of Connected Clients	Maximum outstanding amount which may be provided to such Connected Clients at all time during the year ending 31 December		
	2022	2023	2024
	HK\$	HK\$	HK\$
Mr. Pan and Ms. Li <i>(Note)</i>	110,000,000	110,000,000	110,000,000

Note: As Mr. Pan and Ms. Li are parties who are connected with one another, the annual caps for the IPO Financing Services for Mr. Pan and Ms. Li are determined on an aggregated basis.

As stated in the Letter from the Board and further confirmed by the Company, the annual cap of the IPO Financing Services to Mr. Pan and Ms. Li, on an aggregated basis was primarily determined with reference to (i) their historical demand of IPO Loans as indicated by the amount of IPO Loans granted to them during the period from May to August 2021; and (ii) the prevailing active Hong Kong IPO market.

Historical Demand of IPO Loans

As stated in the Letter from the Board, the IPO Loans, including the Non-exempted Loans, granted to Mr. Pan and Ms. Li for financing his/her subscription in nine and seven IPO cases respectively in the four months from May to August 2021 amounted to over HK\$168 million in aggregate. It is noted that sum of the IPO Loans granted to them for three IPO cases of which the dates were close to each other, including Loan P1 of approximately HK\$86.7 million in late May 2021, Loan P2A of approximately HK\$7.9 million and Loan P2B of approximately HK\$12.3 million in early June reaches approximately HK\$107 million, which is close to the relevant annual cap of HK\$110 million for the three years ending 31 December 2024.

We have discussed with and understand from the Company that, GCINT (HK) mainly obtains debt financing from banks or other brokers to finance its IPO Financing Services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given (i) as shown in the IPO Loan Lists we reviewed and further confirmed by the Directors, IPO Loans were granted by GCINT (HK) to a number of independent clients in the nine IPO cases from May to August 2021 apart from Mr. Pan and Ms. Li; (ii) only approximately 14% of the IPO Loan interest income of GCINT (HK) in the first eight months in 2021 was generated from Mr. Pan and Ms. Li together; (iii) it is the general policy of GCINT (HK) to allocate fund to IPO Loan clients, no matter connected or not, on a first-come-first-served basis thereby pursuing a diversified client portfolio as far as no favourable treatment is offered to any particular client, and therefore the annual cap would not crowd out business opportunities with third parties and is reasonable; (iv) the first-come-first-served basis is considered to be in line with the industry practices with a view to promptly secure orders from customers based on the terms of similar IPO financing services shown on the websites of, and enquiry made to, other brokers; and (v) as confirmed by the Directors, GCINT (HK) will continue to conduct its principal business to provide IPO Financing Services to clients, no matter connected or not, according to its general policy abovementioned, we concur with the Directors' view that the IPO Financing Services business of GCINT (HK) did not rely heavily on the Connected Clients and therefore has commercial substance, the annual cap and the first-come-first served basis adopted in allocating fund to IPO Loan clients are in the interests of the Company.

Prevailing Active Hong Kong IPO Market

According to the statistics released on the Stock Exchange's website, there were 154 new listed issuers on main board and GEM in 2020. In the first eight months in 2021, 69 companies have newly listed on main board and GEM. In addition, funds raised through IPO for the first eight months of 2021 was approximately HK\$269.8 billion, representing an increase of approximately 80.7% when compared with approximately HK\$149.3 billion for the same period of 2020. These statistics demonstrate an active IPO market in Hong Kong.

As stated in the Letter from the Board and further confirmed by the Company, the size of IPO Loans granted to each particular independent or connected client generally varies between different IPO cases and even between clients as the loan amount in each IPO case is determined principally based on, among others, (i) the available unutilised financing facilities or working capital of GCINT (HK) at the relevant time; (ii) the total amount of IPO Loans applications received by GCINT (HK) as the available fund will be allocated on a first-come-first-served basis; and (iii) the amount of IPO Loans applied by such client in such IPO case. The annual caps of the IPO Financing Services are determined with reference to, among others, the Connected Clients' historical demand for IPO Loans, rather than (i) the available unutilised financing facilities or working capital of GCINT (HK) or (ii) the amount of IPO Loans applied by all or each of GCINT (HK)'s clients at any relevant time abovementioned. Hence, we concur with the Directors' view that there is no direct correlation between the annual caps and the size of IPO Loan to be offered to each client.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

After considering (i) the historical amount of IPO Loans granted to Mr. Pan and Ms. Li, on an aggregated basis; (ii) the active IPO market in Hong Kong as demonstrated by the statistics above; and (iii) the Company understood from the Connected Clients that they expect to continue to apply for IPO Loans from GCINT (HK) in the coming years, we concur with the Directors' view that the annual caps for IPO Financing Services under the Financing Services Agreements are fair and reasonable so far as the Independent Shareholders are concerned.

(4) Listing Rules implication/Internal control measures

The Directors confirmed that the Company shall comply with the requirements of the Listing Rules governing continuing connected transaction, in particular, (i) restriction of transaction amount contemplated under the Financing Services Agreements by the related annual caps, (ii) annual review of the terms of the Financing Services Agreements (including the related annual caps) by independent non-executive Directors and disclosure in annual report, and (iii) annual review and letter provided by the auditors of the Company to the Board regarding the transactions contemplated under the Financing Services Agreements and whether the transaction amount has exceeded the related annual caps.

In the event that the total amounts of IPO Financing Services under the Financing Services Agreements are anticipated to exceed the related annual caps, or that there is any proposed material amendment to the terms of the Financing Services Agreements, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

In addition, apart from the credit approval procedure set out in the Letter from the Board, the Company confirmed that it had taken and shall adopt additional measures to enhance its internal control in the providing IPO Financing Services to connected person(s) of the Company, in particular,

- (1) an internal memo was issued to all the Directors and department heads of the Group that the connected transaction requirements under Chapter 14A of the Listing Rules must be strictly complied with and they shall keep the Company informed of any transactions which may involve connected person(s) of the Company;
- (2) the responsible officers of GCINT (HK) and GCINT AM and the respective management of the financial sector have been reminded of various occasions of the importance of compliance issues in relation to the securities trading business of the Group;
- (3) relevant internal training sessions in respect of Chapter 14A of the Listing Rules has been arranged for and attended by all the Directors, department heads and relevant personnel of the Group;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (4) relevant operation staff are designated to ensure the terms of IPO Financing Services, interest rate, loan ratio and loan principal particularly, offered by GCINT (HK) to connected person(s) of the Company shall be in accordance with the policy of GCINT (HK), the relevant Financing Services Agreement(s) and no less favourable to the Group than those offered to independent clients, and to ensure the aggregate amount of IPO Loans outstanding and to be granted does not exceed the relevant annual cap(s); and
- (5) an external internal control consultant will be engaged to conduct review on the connected transaction monitoring and reporting procedures of the Group.

The Directors are of the view that there are adequate measures in place to monitor the transactions contemplated under the Financing Services Agreements and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the provision of the Non-exempted Loans and the entering into of the Financing Services Agreements are in the ordinary and usual course of business of the Group, on normal commercial terms or better, and together with the annual caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we recommend, the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the provision of the Non-exempted Loans and the entering into of the Financing Services Agreements.

Yours faithfully,
For and on behalf of
Capital 9 Limited
Chu Tat Hoi **Chan Man Yee**
Managing Director *Director*

Chu Tat Hoi and Chan Man Yee are licensed persons and responsible officers of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and have over 20 years and 15 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director and the chief executive of the Company in the shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be entered in the register maintained by the Company under section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules were as follows:

(i) Long positions in shares of the Company

Name of Director/ chief executive of the Company	Nature of interest	Number of ordinary shares	Number of underlying shares	Total	Approximate percentage of issued share capital of the Company (Note 1)
Pan Jibiao (Note 2)	Through a controlled corporation	1,505,604,864 (Note 2)	2,000,000,000 (Note 3)	3,505,604,864	142.84%

Notes:

- Based on 2,454,196,695 ordinary shares of the Company in issue as at the Latest Practicable Date.
- These 1,505,604,864 ordinary shares of the Company are held by Century Gold, which is wholly owned by Mr. Pan Jibiao. Pursuant to the SFO, Mr. Pan Jibiao is deemed to be interested in these ordinary shares of the Company.
- These 2,000,000,000 underlying shares represents conversion shares at a conversion price of HK\$0.12 per share which may be issued and allotted upon full conversion of the convertible notes, and such conversion shares were issued by the Company and due in December 2021, with an outstanding principal amount of HK\$240,000,000 as at the Latest Practicable Date.

(ii) Long positions in shares of associated corporation

Name of Director/ chief executive of the Company	Name of associated corporation	Nature of interest	Number of shares	Percentage of shareholding interest
Pan Jibiao	Century Gold (<i>Note</i>)	Beneficial owner	1	100%

Note: Century Gold, a company incorporated in the British Virgin Islands, is the controlling shareholder of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as was known to any Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(i) Interest in the Company – long positions

Name of substantial Shareholders	Nature of interest	Number of ordinary shares	Number of underlying shares	Total	Approximate percentage of issued share capital of the Company (<i>Note 1</i>)
Century Gold (<i>Note 2</i>)	Beneficial owner	1,505,604,864	2,000,000,000 (<i>Note 3</i>)	3,505,604,864	142.84%
Wealthking Investments Limited	Beneficial owner	125,000,000	–	125,000,000	5.09%
Innovest Investment Fund SPC – Innovest Special Opportunities SP	Beneficial owner	124,500,000	–	124,500,000	5.07%

Notes:

1. Based on 2,454,196,695 ordinary shares of the Company in issue as at the Latest Practicable Date.
2. These 1,505,604,864 ordinary shares of the Company are held by Century Gold, which is wholly owned by Mr. Pan Jibiao.
3. These 2,000,000,000 underlying shares represents conversion shares at a conversion price of HK\$0.12 per share which may be issued and allotted upon full conversion of the convertible notes, and such conversion shares were issued by the Company and due in December 2021, with an outstanding principal amount of HK\$240,000,000 as at the Latest Practicable Date.

(ii) Interest in the subsidiaries of the Company

As at the Latest Practicable Date, so far as was known to any Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the issued voting shares of the following subsidiaries of the Company:

Name of subsidiaries of the Company	Name of substantial shareholder	Percentage of shareholding
GCINT Wealth Management Ltd 金禧國際財富管理有限公司	Spring Wave Limited	10%
Strong Way International Limited 昌維國際有限公司	Chan Chiu Shing 陳潮城	40%

Save as disclosed above, as at the Latest Practicable Date, there is no person (not being a Director or chief executive of the Company) known to the Directors and chief executive of the Company, who, as at the Latest Practicable Date, had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were, directly or indirectly, interested in 10% or more of the issued voting shares of any subsidiary of the Company.

As at the Latest Practicable Date, save as Mr. Pan being a director of Century Gold, none of the Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

4. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors and their respective close associates had any interest in any businesses which compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. INTERESTS IN CONTRACTS OR ARRANGEMENT

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

7. INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had, since the latest financial year ended 31 December 2020, been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since the latest financial year ended 31 December 2020.

9. LITIGATION

As at the Latest Practicable Date, there was no material litigation, arbitration or claim of material importance in which the Company is engaged pending or which was threatened against the Company.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice which are contained in this circular:

Name	Qualification
Capital 9 Limited	a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Capital 9 Limited did not have (i) any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) any direct or indirect interest in any assets acquired or disposed of by or leased to or which were proposed to

be acquired or disposed of by or leased to, any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

11. GENERAL

- (a) The company secretary of the Company is Mr. Lee Kin Fai, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at 45th Floor, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- (c) The Company's share registrar and transfer office in Hong Kong is Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.gci.com.hk>) from the date of this circular up to and including the date of the EGM:

- (a) discretionary investment management agreement dated 3 May 2021 entered into between GCINT AM and Mr. Pan;
- (b) discretionary investment management agreement dated 18 May 2021 entered into between GCINT AM and Ms. Li;
- (c) application forms for the Non-exempted Loans;
- (d) the Financing Services Agreements;
- (e) the letter of advice from the Independent Board Committee to the Independent Shareholders as set out in this circular;
- (f) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out in this circular; and
- (g) the written consent referred in paragraph headed "10. Expert and Consent" of this appendix.

NOTICE OF THE EGM



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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of shareholders of Golden Century International Holdings Group Limited (the “**Company**”) will be held at 45/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 16 December 2021 at 10:30 a.m., to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the grant of the Non-exempted Loans (as defined and described in the circular of the Company dated 30 November 2021 (“**Circular**”)) be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such acts and things and sign, agree, ratify or execute all such documents which he/she/they in his/her/their discretion consider(s) necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the provision of the Non-exempted Loans and any of the transactions contemplated thereunder.”

2. “**THAT:**

- (a) the entering into of the financing services agreement dated 22 November 2021 entered into by and among GCINT (HK) Limited (“**GCINT (HK)**”), GCINT Asset Management Limited (“**GCINT AM**”) and Mr. Pan Jibiao (“**Financing Services Agreement A**”) (copy of the Financing Services Agreement A has been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for the purpose of identification), all the transactions contemplated thereunder and the relevant annual caps (all as described in the Circular), be and are hereby approved; and

NOTICE OF THE EGM

(b) any one director of the Company, or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such acts and things and sign, agree, ratify or execute all such documents which he/she/they in his/her/their discretion consider(s) necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Financing Services Agreement A and any of the transactions contemplated thereunder.”

3. **“THAT:**

(a) the entering into of the financing services agreement dated 22 November 2021 entered into by and among GCINT (HK), GCINT AM and Ms. Li Dan (**“Financing Services Agreement B”**) (copy of the Financing Services Agreement B has been produced to the Meeting and marked “B” and initialed by the chairman of the Meeting for the purpose of identification), all the transactions contemplated thereunder and the relevant annual caps (all as described in the Circular), be and are hereby approved; and

(b) any one director of the Company, or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such acts and things and sign, agree, ratify or execute all such documents which he/she/they in his/her/their discretion consider(s) necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Financing Services Agreement B and any of the transactions contemplated thereunder.”

By Order of the Board

Golden Century International Holdings Group Limited

Pan Jibiao

Chairman and Chief Executive Officer

Hong Kong, 30 November 2021

Registered office:

45th Floor

Tower 1, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

NOTICE OF THE EGM

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power of attorney or authority, must be lodged with the registered office of the Company at 45th Floor, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and/or the Company's share registrar in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not less than 48 hours before the time appointed for holding the Meeting.
3. Completion and return of the form of proxy will not preclude a member of the Company from attending the Meeting and voting in person at the Meeting or any adjournment thereof if he/she/it so desires. If a member of the Company attends the Meeting after having deposited the form of proxy, his/her/its form of proxy will be deemed revoked.
4. Where there are joint registered holders of any share of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holder stand on the register in respect of the relevant joint holding.
5. For determining the entitlement of the shareholders of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 13 December 2021 to Thursday, 16 December 2021 (both dates inclusive) during which period no transfer of the Shares of the Company will be registered. In order to qualify for entitlement to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 10 December 2021.

As at the date of this notice, the executive directors are Mr. Pan Jibiao (Chairman and Chief Executive Officer) and Ms. Shao Yanxia, and the independent non-executive directors are Mr. Lai Kin Keung, Mr. Yeung Chi Wai and Mr. Wong Man Hung Patrick.

PRECAUTIONARY MEASURES FOR THE EGM

In light of the recent ongoing spread of Novel Coronavirus (COVID-19), the Company will implement the following precautionary measures at the EGM in order to protect the health and safety of all participants including the Shareholders, their proxies and other personnel (the “Participants”) in the EGM, including:

1. All the Participants will subject to compulsory body temperature checks;
2. All the Participants will be requested of wearing of surgical face masks throughout the EGM. Any person who does not comply with this requirement may be denied entry into the EGM venue and be asked to leave the EGM venue. A safe distance between seats are also recommended;
3. All Participants in the EGM shall use sanitiser to sanitise their hands at least once when they enter into the EGM venue, and when they leave after the EGM;
4. No beverage and refreshment will be served either during or after the EGM to avoid close contacts of the Participants during their attendance; and
5. Other safety measures as appropriate.

Shareholders are reminded that any person who is subject to any Hong Kong Government prescribed quarantine, with fever or respiratory symptoms, a body temperature over 37.5 degree Celsius or without wearing a surgical face mask will not be given access to the venue of the EGM, which also means that you will not be allowed to enter the venue and attend the EGM.

The Company strongly recommends Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person. Shareholders who choose to do so should take action as soon as possible to ensure the proxy instructions reach the Company’s share registrar not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjourned meeting thereof.

If Shareholders have any questions relating to the EGM, please contact Tricor Standard Limited, the Company’s share registrar and transfer office as follows:

Address:

Level 54, Hopewell Centre,
183 Queen’s Road East, Hong Kong
Telephone: (852) 2980 1333
Fax: (852) 2890 9350