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 accompanying proxy form 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).

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

金禧國際
CENTURY INTL

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)
(Warrant Code: 1807)

MAJOR TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES OF THE TARGET COMPANY AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Financial Adviser to the Company

Euto 裕韜
Capital Partners

Euto Capital Partners Limited

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 18 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at 22/F, Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong on Wednesday, 19 August 2020 at 10:00 a.m. is set out on pages 86 to 88 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East,

28 July 2020

CONTENTS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

"Board"	the board of Directors
"Business Day(s)"	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"Completion"	completion of the Subscription pursuant to the Share Subscription Agreement
"Completion Date"	the fifth (5) Business Day after the date of fulfillment (or waiver) of all the conditions set out in the Share Subscription Agreement, or such other day as the Company, Spring Wave and the Target Company may mutually agree in writing
"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)
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held at 10:00 a.m. on 19 August 2020, the notice of which is set out on pages 86 to 88 of this circular and, if thought fit, approve the Subscription
"Enlarged Group"	the Group as enlarged by the consolidation of the Target Company
"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 PRC
"Independent Third Party(ies)"	independent third party(ies) who is/are not connected person(s) (as defined under the Listing Rules) of the Company and is/are independent of the Company and its connected persons (as defined under the Listing Rules)
"Insurance Ordinance"	the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong)
"Insurance Rules"	the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules (Chapter 41L of the Laws of Hong Kong)

"Latest Practicable Date"	23 July 2020, the latest practicable date for the identification of certain information in this circular prior to the despatch of this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	6 November 2020, being the sixth month after the date of the Share Subscription Agreement
"Original Share Subscription Agreement"	the original share subscription agreement dated 7 May 2020 entered into between the Company, Spring Wave and the Target Company in respect of the Subscription
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share Subscription Agreement"	Original Share Subscription Agreement as amended by the Supplemental Agreement entered into between the Company, Spring Wave and the Target Company in respect of the Subscription
"Spring Wave"	Spring Wave Limited, a company incorporated in Hong Kong with limited liability which is the sole shareholder of the Target Company and is beneficially wholly-owned by Mr. Cai Quan as at the Latest Practicable Date
"Subscription"	the proposed subscription of the Subscription Shares pursuant to the terms and conditions of the Share Subscription Agreement
"Subscription Amount"	the total subscription amount for the subscription of the Subscription Shares, being HK$3,000,000
"Subscription Shares"	11,700,000 new shares to be allotted and issued by the Target Company to the Company (or its nominee subsidiary) pursuant to the Share Subscription Agreement
"Supplemental Agreement"	the supplemental agreement dated 24 June 2020 entered into between the Company, Spring Wave and the Target Company to amend the terms of the Original Share Subscription Agreement
"Shareholder(s)"	holders of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	United Able International Limited, a company incorporated in the Hong Kong with limited liability
"%"	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)
(Warrant Code: 1807)

Executive Directors:
Mr. Pan Jibiao *(Chairman)*
Ms. Shao Yanxia

Non-executive Director:
Mr. Shiu Shu Ming

Independent non-executive Directors:
Mr. Lai Kin Keung
Mr. Yeung Chi Wai
Mr. Chan Yim Por Bonnie

Registered Office:
45th Floor, Tower 1,
Times Square,
1 Matheson Street,
Causeway Bay.
Hong Kong

28 July 2020

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES OF THE TARGET COMPANY AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference are made to (i) the announcement of the Company dated 7 May 2020 in relation to, among other things, the major transaction in relation to the Subscription; (ii) the announcements of the Company dated 27 May 2020 and 10 June 2020 in relation to the delay in despatch of this circular; (iii) the announcement of the Company dated 24 June 2020 in relation to, among other things, the Supplemental Agreement in connection with the Subscription and further delay in dispatch of this circular; (iv) the announcement of the Company dated 29 June 2020 in relation to, among other things, further information in relation to the Subscription; and (v) the announcement of the Company dated 10 July 2020 in relation to the further delay in despatch of this circular.

On 7 May 2020 (after trading hours), the Company, Spring Wave and the Target Company entered into the Original Share Subscription Agreement, pursuant to which, among other things, the Company has conditionally agreed to subscribe and the Target Company has conditionally agreed to allot and issue the 3,900,000 new shares of the Target Company, representing 75% of the enlarged issued share capital of the Target Company immediately after Completion.

On 24 June 2020 (after trading hours), the Company, Spring Wave and the Target Company entered into the Supplemental Agreement to amend the terms to increase the number of the Subscription Shares with the Subscription Amount remains unchanged in the Original Share Subscription Agreement. The number of shares of the Target Company to be subscribed by the Company has increased from the original 3,900,000 new shares of the Target Company, representing 75% of the enlarged issued share capital of the Target Company immediately after Completion, to 11,700,000 new shares of the Target Company, representing 90% of the enlarged issued share capital of the Target Company immediately after Completion.

Upon Completion, the total issued shares of the Target Company will be 13,000,000 shares. The Company (or its nominee subsidiary) will hold 11,700,000 shares (representing 90% of the enlarged issued share capital of the Target Company) and Spring Wave will hold 1,300,000 shares (representing 10% of the enlarged issued share capital of the Target Company).

The purpose of this circular is to provide you with (i) further details of the Subscription; (ii) financial information on the Group; (iii) the Accountants' Report on the financial information of the Target Company; (iv) unaudited pro forma financial information on the Enlarged Group; (v) other information as required under the Listing Rules; and (vi) the notice of the EGM.

THE SHARE SUBSCRIPTION AGREEMENT

Date: 7 May 2020 (as amended by the Supplemental Agreement dated 24 June 2020)

Parties:
(i) the Company;

(ii) the Spring Wave; and

(iii) the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Spring Wave and its ultimate beneficial owner is an Independent Third Party.

Subscription Shares

Subject to and in accordance with the terms and conditions of the Share Subscription Agreement, the Company (or its nominee subsidiary) has conditionally agreed to subscribe and the Target Company has conditionally agreed to allot and issue the Subscription Shares, representing 90% of the enlarged issued share capital of the Target Company immediately after completion of the Subscription at the Subscription Amount.

Subscription Amount

Pursuant to the Share Subscription Agreement, the Subscription Amount shall be paid in cash by the Company upon the Completion Date.

The Company intends to fund the Subscription by way of the Company's internal resources.

Basis in determining the Subscription Shares

Subject to and in accordance with the terms and conditions of the Share Subscription Agreement, the Company will hold 11,700,000 new shares of the Target Company, representing 90% of the enlarged issued share capital of the Target Company immediately after completion of the Subscription. Upon Completion, the total issued shares of the Target Company will be 13,000,000 shares.

The percentage of the Subscription Shares in the Target Company upon Completion was determined and calculated based on the following formula:

$$\text{Percentage of Subscription Shares in the Target Company upon Completion} = \frac{\text{Subscription Amount}}{(\text{Pre Money Valuation} + \text{Subscription Amount})}$$

In the above formula:

"Pre Money Valuation" (i.e. HK$333,000) means a premium of approximately HK$324,000 or approximately 3,600% over the audited net asset value of the Target Company of approximately HK$9,000 as per its audited financial statements as at 31 March 2020.

The Subscription Shares, the Subscription Amount and the aforesaid premium were agreed after arm's length negotiation between the Company and the Target Company having taking into account, among other things, the following factors:

(i) the time required to process an application for a new insurance broker company license under the Insurance Ordinance normally takes approximately not less than 6 months from the submission of the application. Further, pursuant to the Insurance Rule, the licensed insurance broker companies being deemed licensees are required to increase the minimum paid-up share capital and net assets by phases from the current HK$100,000 to HK$500,000 from 1 January 2024 onwards. After considering the aforesaid factors, the Directors are of the view that the Subscription, if materialized, will save time and set-up cost in the new application and provide existing corporate network for the Group to develop the insurance brokerage business;

(ii) since its incorporation, the Target Company has established continuous relationship and entered into brokerage contracts with major insurance companies in Hong Kong, which enable the Target Company to provide services including giving advice on general insurance policies and life insurance policies to potential customers; and

(iii) after conducting financial due diligence on the Target Company subsequent to the signing of the Original Share Subscription Agreement, the Directors noted that the Target Company was loss making for the years ended 31 March 2018, 2019 and 2020. In light of the deviation on the Target Company's audited financial information from the unaudited financial information previously disclosed to the Company, the parties to the Original Share Subscription Agreement agreed to enter into the Supplemental Agreement to amend the terms in respect of the number of the Subscription Shares from the original 3,900,000 new shares of the Target Company, representing 75% of the enlarged issued share capital of the Target Company immediately after completion of the Subscription, to 11,700,000 new shares of the Target Company, representing 90% of the enlarged issued share capital of the Target Company immediately after completion of the Subscription.

In all, in assessing the substantial premium of approximately 3,600% over the audited net asset value of the Target Company as at 31 March 2020, the Directors are of the view that while the net asset value of the Target Company as at 31 March 2020 was only approximately HK$9,000, the Target Company is principally engaged in the provision of insurance brokerage services, which is an asset-light business and the principal assets of which are intangible, being its established business model, customer base, licensed staff, agents, channels and relationship with insurance companies. The Directors are of the view that the net asset value and the price-to-book ratio, which are commonly for valuing capital-intensive business or asset-heavy business may not be a good reference to determine the Subscription Amount. In light of this, when determining the Pre-Money Valuation of HK$333,000, the Directors considered that despite there was a shortfall in 2020 mainly due to the impact of the outbreak of COVID-19, the Target Company is a middle-sized insurance broker company with a well-established business model, including but not limited to having:

(i) brokerage agreements with major insurance companies in Hong Kong, including FWD, AIA and AXA, which could not be established within a short period of time for a newly setup licensed company;

(ii) good relationship with those insurance companies which enable the Target Company to offer a wide range of insurance products to potential customers;

(iii) experienced management team led by Mr. Cheung Ka Chi (for Mr. Cheung Ka Chi's biography, please refer to the sub-section headed "Biographies of the responsible officer and senior management") who is a licensed insurance practitioner with 20 years' experience in the insurance industry; and

(iv) the substantial number of licensed staff, agents and channels which enable the Target Company to continuously sourcing more customers leveraging on the Group's connection in the PRC.

Besides, it was stated in a press release published by the Insurance Authority dated 18 February 2019 that "the Outline Development Plan also suggests progressive promotion of cross-boundary transactions of financial products including insurance products within the Greater Bay Area in accordance with relevant laws and regulations, and provision of support to eligible Hong Kong insurance institutions in setting up operations in designated areas in the Greater Bay Area. The Insurance Authority will continue to maintain close communication with the relevant PRC authorities and the industry to facilitate the implementation of the suggested initiatives.'' Based on this, the Directors are of the view that the business prospect and market position of the Target Company are positive. It is believed that based on the existing business model, the Target Company can make use of the Group's connection in the PRC to expand its business to serve potential high-end customers there, ultimately benefiting the Enlarged Group as a whole. Further, it is advised that the existing agents will procure to retain and cooperate with the Target Company for a certain period and on the other hand, the Target Company will keep on recruiting additional agents and exploring additional channels after Completion in order to ensure a sustainable business growth and avoid any reliance on existing agents/channels.

Taking all of the factors mentioned above and the potential business development of the Target Company after injection of additional funds upon the Completion, the Directors are of the view that despite the loss making position of the Target Company for the last three years, the Pre-Money Valuation and the determination of the Subscription Amount and the number of Subscription Shares are fair and reasonable.

Conditions precedent

Completion is subject to the following conditions precedent being fulfilled or waived (if applicable) on or before the Long Stop Date:

(a) there is no applicable Hong Kong laws, rules or regulations, or administrative reasons which restricts Spring Wave and/or the Target Company in proceeding the consummation of any of the transactions contemplated under the Share Subscription Agreement;

(b) the Company, Spring Wave and the Target Company have obtained all necessary consents, approval, authorisations, permission, exemptions, orders, license and notification from and filing and registration with the applicable government institutions and regulatory authorities (include but not limited to Insurance Authority of Hong Kong) or any cooperating insurance companies or any third parties to sign and perform the Share Subscription Agreement or to complete the transactions contemplated under the Share Subscription Agreement;

(c) the insurance broker license is still valid, not suspended or revoked, and there is no events or any factors which cause suspension or revocation of the insurance broker license upon Completion;

(d) all material contracts are still in effect and there is no significant changes to their material terms and conditions;

(e) the warranties given by Spring Wave and the Target Company contained in the Share Subscription Agreement remain true and accurate and not misleading in any material respect as given as of the date of the Share Subscription Agreement and at all times up to and including the Completion Date; and

(f) the Company has completed commercial, financial and legal due diligence on the Target Company, during which the conditions of the Target Company and the statements, guarantees and commitments in the Share Subscription Agreement are true, accurate and not misleading in material respects.

Spring Wave and the Target Company shall use their respective reasonable endeavours to procure that the above conditions shall be fulfilled or continue to be fulfilled on the Completion Date.

Save and except the above conditions (a) and (b) which shall not be waived, the Company may waive the other conditions or any of them at any time by notice in writing to Spring Wave and the Target Company and such waiver may be made subject to the requests and conditions made by the Company. The Company considered that having these conditions precedents set as capable of being waived by the Company would give the Company a flexibility in the event that a significant cost and time would be incurred to fulfil any such conditions which are not fundamental or material to the operation of the Target Company, prior to the completion of the Subscription, the Company may consider to waive any of the above conditions (c) to (f) with or without conditions.

As at the Latest Practicable Date, the Company has no intention to waive any of the above conditions (c) to (f).

The Company may terminate the Share Subscription Agreement at any time by notice in writing to the Target Company if any of the conditions is not fulfilled by the Long Stop Date.

Completion

Completion shall take place on the fifth (5) Business Day after the date on which all the conditions precedent shall have been satisfied or otherwise waived (where applicable) by the Company in accordance with the Share Subscription Agreement, or such other day as the Company, Spring Wave and the Target Company may mutually agree.

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company, which holds 90% of the enlarged issued capital of the Target Company, and all the financial results and assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Target Company is a licensed insurance broker under the Insurance Ordinance to conduct general and long term business (including linked long term business) related regulated activities.

As at the Latest Practicable Date, the Target Company is a wholly-owned subsidiary of Spring Wave which is an investment holding company wholly-owned by Mr. Cai Quan. On 17 March 2020, the ultimate beneficial owner changed from Mr. Yeung Man Sum to Mr. Cai Quan. It is confirmed by Mr. Cai Quan that the consideration relating to the acquisition of the entire equity interest of the Target Company from Mr. Yeung Man Sun on 17 March 2020 is lower than that of the Subscription Amount. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, each of Spring Wave and its ultimate beneficial owner is an Independent Third Party.

Description of business of the Target Company

The Target Company is a licensed insurance broker company which provides services including giving advice on general insurance policies and life insurance policies to potential customers (serving as both the professional advisor and representative) in the course of dealing with matters relating to insurance policies, including procurement, negotiation and arrangement of insurance policies with the insurance companies, and, in some cases, where applicable, making and settling claims.

The insurance policies are entered into between the customers and the insurance companies directly while the Target Company will receive commission from the insurance companies as revenue. The major expenses of the Target Company include the salary and commission paid to its staff including licensed technical representatives (broker) and the commission to the channels and agents pursuant to the sales/ representative agreements between the Target Company and the channels. As at 31 May 2019, there were 5 licensed staff, about 55 channels and about 27 agents for the Target Company.

License and permits required for the business and licensing status

The Target Company validly registered with the Professional Insurance Brokers Association ("**PIBA**"), a self-regulatory organisation of insurance intermediary in Hong Kong, as an insurance intermediary immediately before the new regulatory regime comes into effect. During a three-year transitional period from 23 September 2019 to 22 September 2022, the Target Company is a deemed licensee under the new regulatory regime and subject to licensing and regulation governed by the Insurance Authority.

As advised by the Target Company, it is expected that the Target Company shall be able to comply with the applicable provisions under the new regulatory regime and applicable rules by the Insurance Authority. As at the Latest Practicable Date, save as (i) a penalty fine of HK$10,000 in relation to a failure to maintain a professional indemnity insurance policy with a minimum limit of indemnity for one claim and for the insurance period from 15 July 2017 to 14 July 2018; and (ii) a penalty fine of HK$2,500 in relation to a failure to maintain minimum net asset value for the year ended 31 March 2015, there is no material non-compliance history on the operations of the Target Company. As at the Latest Practicable Date, all the aforesaid penalties have been fully settled. Further, it is confirmed that the Target Company has already complied with all the application requirements in relation to the insurance brokerage license and no material on-going non-compliance issue was recognized by the Target Company as at the Latest Practicable Date.

Insurance Company

The Target Company enters into brokerage contracts with insurance companies, which usually do not have a specific term. The commission rate payable by the insurance companies to the Target Company is specified in the brokerage contracts, which is generally determined by various factors, including but not limited to volume of the business, the track records and the qualifications of the management of the Target Company.

Customers

The customer base of the Target Company consists mainly of Hong Kong companies and individuals. As at the Latest Practicable Date, the Target Company has accumulated hundreds of end customers in the past three years. The Target Company gives advice on insurance policies to customers but it does not have any contractual relationship with them.

Licensed staff

Licensed staff are full-time employees of the Target Company who have signed formal employment agreements with the Target Company. All licensed staff are licensed by PIBA, which enable them to market and sell insurance policies in Hong Kong. The major duties of licensed staff include soliciting, analysing and recommending insurance policy to the customers and arranging signing of insurance policies with the insurance companies.

Agents

The Target Company enters into sales/representative agreements with its agent(s), who are responsible for marketing the insurance products to customers. The commission rates vary among different types of insurance products and are specified as a portion of the annual insurance premium of the insurance products sold under the sales/representative agreements. Such commission rates are based on, among other things, the value of the insurance premium and the volume of business referred by the agents.

Channels

The channels are the companies or individuals who are willing and able to introduce potential insurance customers to the Target Company, its licensed staff or agents of the Target Company. Such channels may or may not be licensed by PIBA, and the unlicensed channels cannot provide any advisory services to potential customers and can only refer potential customers to the Target Company, its licensed staff or agents. The Target Company enters into sales/representative agreements with its channels. The sales/representative agreements are similar to those entered into between the Target Company and its agents.

Biographies of the responsible officer and senior management

As at the Latest Practicable Date, Mr. Cai Quan ("**Mr. Cai**") is the sole director and Mr. Cheung Ka Chi Perry ("**Mr. Cheung**") is the responsible officer of the Target Company. Set out below are the biographies of Mr. Cai and Mr. Cheung.

Mr. Cai Quan

Mr. Cai is a businessman who has possessed extensive experience and network in banking and financial sector.

Mr. Cheung Ka Chi

Mr. Cheung holds a bachelor's degree in accounting from the Australian National University in 1996.

Mr. Cheung has extensive experience in the insurance industry. Prior to joining the Target Company, Mr. Cheung worked for Thornton Global Wealth Management Limited, a member of PIBA, as a chief executive from September 2014 to April 2020, chief operating officer from January 2013 to August 2014, director from April 2010 to December 2012 and president from January 2008 to March 2010, where he was responsible for maintaining the internal control system of the company to comply with the relevant regulatory standard. Mr. Cheung worked for TG Holborn (HK) Limited, which provided individual financial planning and investment advice for the period from September 2000 to March 2003.

Although Mr. Cai has no relevant experience in the insurance brokerage business, Mr. Cai has a good understanding of the business model of the insurance brokerage business as well as sufficient general management skills. Also, Mr. Cheung has relevant experience and knowledge in insurance industry. He has provided his view and opinion on the Subscription and the associated terms and, after Completion, Mr. Cheung will continue to advise the management of the Company, including but not limited to the regulatory requirements of insurance brokerage industry and supervising/monitoring the business of the Target Company.

Future plans and working capital requirement

The Group considers that the Subscription represents a unique opportunity to extend its products and services into the insurance industry. In order to increase competitiveness, it is the plan of the Target Company to expand its customer base from Hong Kong to the PRC by expanding the scope of the brokerage contracts upon the approval granted by certain insurance companies. Further, the Directors have noted that there is a potential growth in high-net-worth population and demand from the PRC, especially the Guangdong-Hong Kong-Macao Greater Bay Area, for world-class insurance products. Hence, it is expected that cross-marketing opportunities for financial services between the Target Company and the Group would be possible targeting the Group's customers from the PRC. Also, the Target Company's insurance brokerage business can leverage on the Group's existing sales channel to extend the Target Company's own customer base.

In light of the above, it is expected that the Target Company will benefit from the robust outlook of Hong Kong insurance industry and the Group, which is a listed company in Hong Kong, as a long-term strategic shareholder for the reputation and synergy.

It was agreed between the Target Company and the Company that all the proceeds from the Subscription will be used for the general working capital of the Target Company and its business development for the next 12 months. The said estimated general working capital of the Target Company mainly comprised payment for (i) salaries and allowance; (ii) legal and professional fee; and (iii) other administrative expenses. Save as disclosed, there is no specific working capital requirements of the Target Company.

BACKGROUND OF THE SUBSCRIPTION

Mr. Cai is a business acquaintance of Mr. Pan Jibiao ("**Mr. Pan**"), an executive director of the Company. In order to develop the business of the Target Company, Mr. Cai has intended to raise fund to finance the Target Company's general working capital and its business development activities. Knowing that the Group is principally engaged in, among other things, treasury business, Mr. Cai contacted Mr. Pan for cooperation opportunities between the Target Company and the Group.

The aims of the Group are to further diversify its business to the insurance brokerage industry and broaden its income sources, the Board, after taking into consideration of the satisfying results of the preliminary due diligence on the Target Company, considered it is in the Group's interest to proceed the Subscription.

For reasons for and benefits of the Subscription, please refer to the section headed "REASONS FOR AND BENEFITS OF THE SUBSCRIPTION" of this circular.

RISK FACTORS IN RELATION TO THE TARGET COMPANY'S BUSINESS

Sourcing suitable insurance products for customers relies materially on the productions and brokerage agreement terms agreed with the insurance companies

If the Target Company fails to enter into or renew brokerage contracts with the insurance companies with the same or favourable terms on, among other times, the commission rate and the payment term, the types of insurance products made available to the Target Company would be reduced and such reduction may have adverse effect to the competitiveness of the Target Company among other insurance broker companies in the market. If the Target Company fails to respond to the changing and emerging demands from its customers and provide the products and services up-to-date with the market expectation, the business volume and the corporate reputation of the Target Company will be adversely affected.

Competing in the insurance market in Hong Kong brings various challenges

The Target Company has been facing keen competition among other insurance broker companies in the market in aspects such as the number of productive licensed staff, range of insurance products provided by the insurance companies, customer bases outside Hong Kong and synergy associated with large financial institutes. If the Target Company fails to maintain its advantages to attract and retain its customers, licensed staff and the insurance companies, or fails to secure its current customers base while exploring new potential customers in the markets, the financial condition of the Target Company will become unstable and unsustainable under market fluctuations and declining economic conditions.

Complying with stringent laws and regulations of the insurance industry in Hong Kong requires significant deployment of resources

The insurance industry in Hong Kong is a highly developed and regulated industry. The establishment of the Insurance Authority, the introduction of the new regulatory regime and series of transitional arrangements for the deemed licensees require the Target Company to deploy significant resources and to devote considerable time on such compliance efforts. The legal and compliance risk may have an adverse effect on the business performance and operation of the Target Company.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is the audited financial information of the Target Company as extracted from its audited financial statements for the years ended 31 March 2018, 31 March 2019 and 31 March 2020:

	For the year ended 31 March		
	2020	**2019**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)
Revenue	2,204	6,490	3,635
Loss before tax	(963)	(56)	(64)
Loss after tax	(960)	(51)	(79)

As at 31 March 2020, the audited net asset value of the Target Company was approximately HK$9,000.

FINANCIAL EFFECTS OF THE SUBSCRIPTION

Earnings

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company, and all the financial results and assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

The audited consolidated loss after taxation of the Group for the financial year ended 31 December 2019, as extracted from the annual report of the Company for the financial year ended 31 December 2019, was approximately HK$397,161,000.

As set out in Appendix II to this circular, the Target Company generated revenue of approximately HK$2,204,000 for the year ended 31 March 2020.

In light of the Directors' anticipated incomes generated from the Target Company, the Directors consider that the Subscription will bring positive contribution to the earnings of the Enlarged Group but the actual quantification of such contribution will depend on the future performance of the Target Company.

Assets and liabilities

As set out in the unaudited pro forma financial information of the Enlarged Group in Appendix III to this circular, as a result of the Subscription:

(i) the total assets of the Group will increase from approximately HK$190,954,000 to approximately HK$194,925,000 on a pro forma basis;

(ii) the total liabilities of the Group will increase from approximately HK$518,688,000 to approximately HK$519,358,000 on a pro forma basis;

(iii) the net liabilities of the Group will decrease from approximately HK$327,734,000 to approximately HK$324,433,000 on a pro forma basis.

INTENTION OF THE COMPANY ON ITS COALBED METHANE BUSINESS

The Group, through its wholly-owned subsidiary, Canada Can-Elite Energy Limited ("**Can-Elite**"), entered into the production sharing contract (the "**Contract**") with China United Coalbed Methane Corporation Limited ("**China United**") on 8 November 2007, a state-owned company wholly-owned by China National Offshore Oil Corporation ("**CNOOC**") and authorised by the PRC government to partner with foreign companies to explore, develop and produce coalbed methane assets. Pursuant to the Contract, Can-Elite is the operator of the Coalbed Methane Business in Anhui Province and holds 70% of the participating interests in the Contract for a term of 30 years starting from 2008.

The mining area under the Contract is divided into Area A (part of Luling Block with an area of 23.686 square kilometres that has its proven reserves submitted) and Area B (primary part of Su'nan Block with an area of 544.157 square kilometres that has its proven reserve yet to be submitted). Area A can start production as soon as the overall development proposal ("**ODP**") has been filed by the relevant

PRC government authorities. Pursuant to the fourth modification agreement entered into between Can-Elite and China United in August 2017, the exploration period of Area B has been extended to 31 March 2020. Can-Elite has proposed further extension of the exploration period of Area B to China United in the modification agreement in relation to the Contract.

It is the intention of the Company to continue the coalbed methane business of the Group. However, as disclosed in the annual report of the Company for the financial year ended 31 December 2019, due to the recent outbreak of novel coronavirus (COVID-19) epidemic ("**Coronavirus**"), the Chinese government implemented various measures to prevent the spread of the Coronavirus, including but not limited to new border control measures and restrictions on production resumption. These containment efforts have impeded the Group from executing its plan to continuing the necessary procedures, requirements and conditions for submission of the ODP. As such, most of the exploration work originally planned by the Group, have been postponed. Set out below is the Company's business plan on operation of the CMB business in Area A:

Time	**Work to be undertaken**
From August 2020 to late December 2021	Prepare the ODP report and it is expected that the ODP report will be submitted by December 2021. Continue to conduct the necessary procedures, requirements and conditions to be fulfilled for submission of the ODP.
December 2021	Finalise and submit the ODP via China United to CNOOC.
First half year of 2022	It is expected that ODP be approved by CNOOC and filed with the National Development and Reform Commission for commercial production and enter the development phase.
Year 2022	Commercial production of coalbed methane commences.

As regards to the CMB business in Area B, the Company filed the application on 2 March 2020 for extension of the exploration period from the original expiry date from 31 March 2020 to 31 March 2022. Formulation of the relevant development plan, expected timetable, expected amount of expenditures required for development of Area B will be made afterwards subject to the results of the extension which is expected to be announced in the third quarter of 2020.

As at the Latest Practicable Date, the Company has not entered, or proposes to enter, into any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied), negotiation (whether concluded or not) and intention to dispose of/downsize the existing business.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in (i) coalbed methane exploration and production in the PRC; (ii) electronic components trading; and (iii) treasury businesses includes securities trading and money lending business.

With the aim of developing the Company as wealth and financial solutions service conglomerate, the Group is principally planning to provide comprehensive financial services, including but not limited to dealing in securities, advising on securities and money lending.

The Target Company is a well-established insurance brokerage company and its services include but not limited to arrange general insurance and life insurance. As at the Latest Practicable Date, the Group has not yet developed a comprehensive insurance distribution network, and it does not have the relevant license and manpower to provide such service. Prior to the Share Subscription Agreement, the Company had considered starting the insurance brokerage business by itself as compared to the Subscription. However, having taking into account of the time and costs as mentioned in the section headed ''Basis in determining the Subscription Shares'', the Directors considered that the Subscription will save time and costs as compared to a new application for the licence of insurance broker company. After Completion, the Group will benefit from a developed distribution network to facilitate its development into insurance brokerage business which aims to provide a wider range of wealth and financial solution to its clients in Hong Kong. Leveraging on the capacity of the Target Company and the Group's parental and financial resource support, the Target Company will further enhance its services.

Apart from the above, in order to further assess the fairness and reasonableness of the Subscription, the Directors have further conducted financial due diligence exercise on the Target Company and noted that (i) approximately 56.32% of the total revenue of the Target Company (i.e. HK$1,241,460) for the year ended 31 March 2020 was derived from three customers; and (ii) the commission expenses to a shareholder amounting to HK$1,019,839 represented a substantial part of the Target Company's total expenses for the year ended 31 March 2020.

After having discussion with the management of the Target Company, it is advised that the top three customers of the Target Company for the year ended 31 March 2020 referred to three of the insurance companies which paid commission to the Target Company for soliciting customers instead of the end customers who requested for the service of the Target Company. As at the Latest Practicable Date, the Target Company has accumulated hundreds of end customers, including individual and corporate, who requested for its insurance brokerage services.

On the other hand, it is advised that the commission expenses paid to the shareholder because such a shareholder is one of the agents of the Target Company, who had successfully introduced customers to the Target Company. It is expected that the number of agents would be increased upon Completion and such portion of the commission expenses would be decreased accordingly.

In all, despite the findings in respect of the financial information of the Target Company as per above, the Directors considered that the Target Company has competitive advantages, including but not limited to (i) brokerage agreements with the major insurance companies in Hong Kong; (ii) a number of licensed staff, agents and channels; and (iii) an established customer base in Hong Kong. Also, the Target Company's experience in the insurance brokerage business would help to widen the Group's revenue stream and also become an important complement to the Group's financial service business.

On the above basis, the Board is of the view that the terms of the Share Subscription Agreement and the Subscription are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription is or are more than 25% but each of them is less than 100%, the Subscription constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE EGM AND CLOSURE OF REGISTER OF MEMBERS

The EGM will be held on Wednesday, 19 August 2020 for the purpose of providing the Shareholders with an opportunity to consider and, if thought fit, approve the Share Subscription Agreement and the transactions contemplated thereunder. As required under the Listing Rules, votes at the EGM will be taken by way of poll.

A notice convening the EGM to be held at 10:00 a.m. on Wednesday, 19 August 2020 at 22/F, Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong is set out on pages 86 to 88 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time for holding the EGM, or any adjournment thereof, as the case may be. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The register of member of the Company will be closed from Friday, 14 August 2020 to Wednesday, 19 August 2020, both days inclusive, for the purpose of determining Shareholders' entitlements to attend the EGM. During such period, no transaction of shares of the Company will be registered.

All transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 13 August 2020 in order to establish the identity of the Shareholders who are entitled to attend and vote at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

WARNING

Completion is subject to the fulfillment of the conditions precedent set out in the Share Subscription Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

Yours faithfully,
By order of the Board
Golden Century International Holdings Group Limited
Pan Jibiao
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for each of the year ended 31 December 2017, 2018 and 2019 are disclosed in the annual report of the Company for the year ended 31 December 2017 published on 26 April 2018, the annual report of the Company for the year ended 31 December 2018 published on 29 April 2019 and the annual report of the Company for the year ended 31 December 2019 published on 27 April 2020, respectively, all of which have been published on the website of the Stock Exchange at (www.hkexnews.hk) and the website of the Company at http://www.goldencenturyintl.com/en/.

Reference to the details of the financial information of the Group in the annual reports of the Company for each of the year ended 31 December 2017, 31 December 2018 and 31 December 2019 are set out below:

(a) the audited consolidated financial statements of the Group for the year ended 31 December 2017 are set out in the annual report of the Company for the year ended 31 December 2017 (pages 60 – 145) as published on 26 April 2018, which weblink is set out below:

https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042702428.pdf

(b) the audited consolidated financial statements of the Group for the year ended 31 December 2018 are set out in the annual report of the Company for the year ended 31 December 2018 (pages 63 – 171) as published on 29 April 2019, which weblink is set out below:

https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn201904291471.pdf

(c) the audited consolidated financial statements of the Group for the year ended 31 December 2019 are set out in the annual report of the Company for the year ended 31 December 2019 (pages 67 – 167) as published on 27 April 2020, which weblink is set out below:

https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042702428.pdf

2. INDEBTEDNESS STATEMENT

As at 31 May 2020, the Enlarged Group had outstanding borrowings and debt instruments of approximately HK$474,567,000, details of which are as follows:

(a) Borrowings

Loans from ultimate holding company

Loans from ultimate holding company of HK$68,000,000 was sub-ordinated in nature which were unsecured, interest bearing at 12% to 24% per annum and not repayable within one year. The ultimate holding company has confirmed that it will not demand the Company for repayment of such loans until all the other liabilities of the Enlarged Group had been satisfied.

Other borrowing

The Enlarged Group had outstanding other borrowing payable to an Independent Third Party of approximately RMB9,893,000 (approximately to HK$10,748,000) relating to the coal methane business under the production sharing contract which are unsecured, interest free and repayable on demand.

Amount due to non-controlling interests of a subsidiary

Amount due to the non-controlling interests of a subsidiary of approximately HK$16,612,000, are unsecured, interest free and not be demanded for repayment in the next twelve months from 31 May 2020.

Lease liabilities

The Enlarged Group had lease liabilities (comprising both current and non-current liabilities) of approximately HK$4,207,000.

(b) Debt instruments

The Enlarged Group had outstanding convertible notes with principal amount of HK$365,000,000, bearing interest at 2% per annum, payable semi-annually in arrears on 30 June and 31 December, and will mature on 31 December 2021. The Enlarged Group had bonds with an aggregate principal amount of HK$10,000,000 with the interest rate of 7% payable semi-annually and will mature on the sixth anniversary of the date of issue.

Save as disclosed above and otherwise mentioned in this circular, except and apart from intragroup liabilities, the Enlarged Group did not have any debt securities issued and outstanding or agreed to be issued, bank borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31 May 2020.

For the purpose of the indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing as at 31 May 2020.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors confirm that, after taking into consideration the Subscription and the financial resources presently available to the Enlarged Group, which are primarily internal resources, unutilized loan facilities granted by shareholders, the Enlarged Group has sufficient working capital for its present requirements for at least the next 12 months commencing from the date of this circular.

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Group is principally engaged in (i) coalbed methane exploration and production in the PRC; (ii) electronic components trading; and (iii) treasury businesses includes securities trading and money lending business.

With the aim of developing the Company as wealth and financial solutions service conglomerate, the Group is principally planning to provide comprehensive financial services, including but not limited to dealing in securities, advising on securities and money lending.

The Target Company is a well-established insurance brokerage company and its services include but not limited to arrange general insurance and life insurance. As at the Latest Practicable Date, the Group has not yet developed a comprehensive insurance distribution network, and it does not have the relevant license and manpower to provide such service. After Completion, the Group will benefit from a developed distribution network to facilitate its development into insurance brokerage business which aims to provide a wider range of wealth and financial solution to its clients in Hong Kong.

The following is the text of a report set out on pages 25 to 66, received from the Company's reporting accountants, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

PAN-CHINA
天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

香港灣仔莊士敦道 181 號大有大廈 15 樓 1501-8 室
Rooms 1501-8, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong.
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF UNITED ABLE INTERNATIONAL LIMITED TO THE DIRECTORS OF GOLDEN CENTURY INTERNATIONAL HOLDINGS GROUP LIMITED

Introduction

We report on the historical financial information of United Able International Limited (the "**Target Company**") set out on pages 25 to 66, which comprises the statements of financial position of the Target Company as at 31 March 2018, 2019 and 2020, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for each of the years then ended (the "**Relevant Period**"), and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information of the Target Company set out on pages 25 to 66 forms an integral part of this report, which has been prepared for inclusion in the circular of Golden Century International Holdings Group Limited (the "**Company**") dated 23 July 2020 (the "**Circular**") in connection with the proposed acquisition of 90% equity interest in the Target Company (the "**Acquisition**").

Director's responsibility for the Historical Financial Information of the Target Company

The sole director of the Target Company are responsible for the preparation of Historical Financial Information of the Target Company that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information of the Target Company, and for such internal control as the sole director of the Target Company determine is necessary to enable the preparation of Historical Financial Information of the Target Company that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "*Accountants' Reports on Historical Financial Information in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information of the Target Company is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the sole director of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information of the Target Company gives, for the purposes of the accountants' report, a true and fair view of the Target Company's financial position as at 31 March 2018, 2019 and 2020 and of the Target Company's financial performance and cash flows for the Relevant Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information of the Target Company.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

The Historical Financial Information of the Target Company is stated after making such adjustments to the Historical and Underlying Financial Statements of the Target Company as defined on Note 21 to the Historical Financial Information of the Target Company as were considered necessary.

Dividends

We refer to Note 10 to the Historical Financial Information of the Target Company which states that no dividends have been declared by the Target Company in respect of the Relevant Period.

Confucius International CPA Limited
Certified Public Accountants
Hong Kong

28 July 2020

I. HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

Preparation of Historical Financial Information of the Target Company

Set out below is the Historical Financial Information of the Target Company which forms an integral part of this accountants' report.

The financial statements of the Target Company of the Relevant Period, on which the Historical Financial Information of the Target Company is based, were audited by Confucius International CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information of the Target Company is presented in Hong Kong dollars ("**HK$**").

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March		
		2018	**2019**	**2020**
	Notes	*HK$*	*HK$*	*HK$*
Revenue	*6*	3,635,411	6,489,694	2,204,373
Commission expenses		(2,747,213)	(5,371,524)	(1,832,035)
Gross profit		888,198	1,118,170	372,338
Other income, gains or losses		10,010	55,597	10,106
Administrative and other operating expenses		(962,691)	(1,229,407)	(1,345,070)
Loss before tax		(64,483)	(55,640)	(962,626)
Taxation	*9*	(14,934)	4,919	2,186
Loss and other comprehensive expenses for the year	*7*	(79,417)	(50,721)	(960,440)

STATEMENTS OF FINANCIAL POSITION

		Year ended 31 March		
		2018	2019	2020
	Notes	*HK$*	*HK$*	*HK$*
Non-current asset				
Property, plant and equipment	*11*	128,229	96,172	50,175
Total non-current asset		128,229	96,172	50,175
Current assets				
Trade receivables	*12*	301,040	224,768	146,457
Amount due from sole director	*16*	95,251	95,251	95,251
Bank balances and cash	*13*	792,550	802,501	387,108
Total current assets		1,188,841	1,122,520	628,816
Current liabilities				
Trade and other payables	*14*	773,721	730,983	653,908
Amount due to shareholder	*16*	8,358	8,358	8,358
Total current liabilities		782,079	739,341	662,266
Net current (liabilities) assets		406,762	383,179	(33,450)
Total assets less current liabilities		534,991	479,351	16,725
Non-current liability				
Deferred tax liabilities	*9*	14,934	10,015	7,829
Net assets		520,057	469,336	8,896
Capital and reserves				
Share capital	*15*	800,000	800,000	1,300,000
Reserves		(279,943)	(330,664)	(1,291,104)
Total equity		520,057	469,336	8,896

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Accumulated losses	Total
	HK$	*HK$*	*HK$*
At 1 April 2017	800,000	(200,526)	599,474
Loss and other comprehensive expenses for the year	–	(79,417)	(79,417)
Total comprehensive expenses for the year	800,000	(279,943)	520,057
At 31 March 2018 and 1 April 2018	800,000	(279,943)	520,057
Loss and other comprehensive expenses for the year	–	(50,721)	(50,721)
Total comprehensive expenses for the year	800,000	(330,664)	469,336
At 31 March 2019 and 1 April 2019	800,000	(330,664)	469,336
Loss and other comprehensive expenses for the year	–	(960,440)	(960,440)
Total comprehensive income (expenses) for the year	800,000	(1,291,104)	(491,104)
Increase in share capital	500,000	–	500,000
At 31 March 2020	1,300,000	(1,291,104)	8,896

STATEMENTS OF CASH FLOWS

		Year ended 31 March		
		2018	**2019**	**2020**
	Notes	*HK$*	*HK$*	*HK$*
Cash flows from operating activities				
Loss before tax		(64,483)	(55,640)	(962,626)
Adjustments for:				
Interest income		(10)	–	–
Depreciation	*11*	32,057	32,057	32,057
Written off of property, plant and equipment	*7*	–	–	13,940
Operating loss before changes in working capital		(32,436)	(23,583)	(916,629)
Decrease in trade receivables		22,635	76,272	78,311
(Decrease) increase in trade and other payables		656,820	(42,738)	(77,075)
Increase in amount due to shareholder		8,359	–	–
Net cash (used in) generated from operating activities		655,378	9,951	(915,393)

		Year ended 31 March		
		2018	**2019**	**2020**
	Notes	*HK$*	*HK$*	*HK$*
Cash flows from investing activities				
Purchase of property plant and equipment		(160,286)	–	–
Interest income		10	–	–
Net cash used in investing activities		(160,276)	–	–
Cash flows from financing activities				
Proceeds from issue of shares		–	–	500,000
Net cash generated from financing activities		–	–	500,000
Net (decrease) increase in cash and cash equivalents		495,102	9,951	(415,393)
Cash and cash equivalents at beginning of the year		297,448	792,550	802,501
Cash and cash equivalent at end of the year		792,550	802,501	387,108
Analysis of balances of cash and cash equivalent:				
Bank balances and cash	*15*	792,550	802,501	387,108

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

1. GENERAL INFORMATION

United Able International Limited (the "**Target Company**") is a limited liability company established in Hong Kong on 19 August 2010. The registered office of the Target Company is located at Rooms 1001-4A, Champion Building, 287-291 Des Voeux Road, Central, Hong Kong, changed to Unit C, 19/f, Infotech Centre, 21 Hung To Road, Kwun Tong Kowloon on 13 December 2017 and changed to Suite 4304, 43/F., Tower 1, Times Square, 1 Matheson Street, Causeway Bay on 30 April 2020.

The principal activity of the Target Company is provision of insurance brokerage services.

The Historical Financial Information of the Target Company is presented in Hong Kong dollars ("**HK$**").

The Target Company has adopted 31 March as the financial year end date.

In the opinion of the sole director of the Target Company, as at 31 March 2020, the ultimate holding company of the Target Company is Lynco Wealth Management Limited, which is a private limited company incorporated in Hong Kong. Mr. Yeung Man Sun is the ultimate controlling party of the Target Company before 17 March 2020. On 17 March 2020, the ultimate controlling party changed from Mr. Yeung Man Sun to Mr. Cai Quan.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and accounting principles generally accepted in Hong Kong.

As the Target Company is not a public company, it is not required to deliver its financial statements to the Registrar of Companies as required by section 662 and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance (Cap. 622).

The Target Company's auditors have reported on the financial statements of the Target Company for the years ended 31 March 2018 and 2019. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

We were not the statutory auditors of the Target Company for the years ended 31 March 2018 and 2019.

Going concern basis

The Target Company incurred a loss of approximately HK$960,440 for the year ended 31 March 2020, and as of that date, the Target Company's current liabilities exceeded its current assets by approximately HK$33,450. The Target Company's director is of the opinion that the Target Company will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from the year ended 31 March 2020 as the Company being the 90% equity holder of the Target Company by subscription of new share of HK$3,000,000 upon completion of the acquisition, has undertaken to provide adequate financial support to maintain the Target Company as a going concern and to enable it to meet its liabilities as and when they fall due.

Significant accounting policies adopted by the Target Company are disclosed below.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purposes of preparing and presenting the Historical Financial Information for the Track Record Periods, the Target Company has consistently applied the accounting policies which conform with HKFRSs, Hong Kong Accounting Standards ("**HKASs**"), amendments and interpretations ("**HK(IFRIC) – Int**") issued by the HKICPA that are effective for the Target Company's accounting periods beginning on 1 April 2018 consistently throughout the Track Record Period, except that the Target Company adopted HKFRS 9 "Financial Instruments" from 1 April 2018 and HKAS 39 "Financial Instruments Recognition and Measurement" prior to 1 April 2018, HKFRS 15 "Revenue from Contracts with Customers" from 1 April 2018.

3.1 HKFRS 9 "Financial Instruments"

The Target Company has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39.

Accounting policies resulting from application of HKFRS 9 and disclosed in Note 4 to the financial statements.

3.1.1 Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39 except for the impact of ECL.

Summary of effects arising from initial application of HKFRS 9

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Target Company's financial assets as at 1 April 2018.

	Original classification under HKAS 39	New classification under HKFRS 9	Original carrying amount under HKAS 39	New carrying amount under HKFRS 9
			HK$	*HK$*
Trade and other receivables	Loans and receivables	Amortised cost	301,040	301,040
Amount due from sole director	Loans and receivables	Amortised cost	95,251	95,251
Bank balances and cash	Loans and receivables	Amortised cost	792,550	792,550
Total financial assets			1,188,841	1,188,841

At the date of initial application, the Target Company no longer applied designation as measured at FVTPL for the portfolio of financial assets which is managed and its performance is evaluated on a fair value basis, as these financial assets are required to be measured at FVTPL under HKFRS 9.

There was no significant impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

Impairment under ECL model

The Target Company applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade and other receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively based on the Target Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

ECL for other financial assets at amortised cost, including cash held on behalf of clients and bank balances and cash, are assessed on 12-month ECL ("**12mECL**") basis as there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the sole director of the Target Company reviewed and assessed the Target Company's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. No impairment allowance was recognised at 1 April 2018.

3.2 HKFRS 15 "Revenue from Contracts with Customers"

The Target Company has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Target Company has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, i.e. 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated loss and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Target Company has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and the related interpretations.

The Company recognises revenue from the following source which arises from contracts with customers:

(i) Insurance brokerage services

The revenue form insurance brokerage services is recognised at a point of time. The application of HKFRS 15 does not have significant impact on the account reported in the financial statements for the years 2018 and 2017.

Information about the Target Company's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in Notes 4 to the financial statements.

New and Amendments to HKFRSs in issue but not yet effective

At the date of this report, the following new standards and amendments to HKFRSs have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]
Amendments to HKFRS 16	Covid-19 Related Rent Concession[5]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 January 2020.

5 Effective for annual periods beginning on or after 1 June 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

The sole director of the Target Company anticipates that the application of these new and amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with HKFRSs issued by the HKICPA. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies adopted are set out below.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3)

Under HKFRS 15, the Target Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Company's performance as the Target Company performs;
- the Target Company's performance creates and enhances an asset that the customer controls as the Target Company performs; or
- the Target Company's performance does not create an asset with an alternative use to the Target Company and the Target Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Revenue from insurance brokerage services is recognised when the service is rendered.

Interest income is recognised on a time-proportion basis using the effective interest method.

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will follow to the Target Company and the revenue and the costs, if applicable, can be measured reliable, revenue is recognised in profit or loss as follows:

Revenue arising from insurance brokerage services is recognised hen the services are rendered.

Interest income is recognised as it accurs using the effective interest method.

Plant, property and equipment

Property, plant and equipment including equipment, furniture and fixtures and leasehold improvements in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Details are as follows:

Leasehold improvements	20%
Furniture and fixtures	20%
Office equipment	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when the Target Company becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis.

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 3)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Target Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). Interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 3)

The Target Company recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Target Company applies the new ECL model to the following items:

- financial assets measured at amortised cost (including trade and other receivables and bank balances and cash); and
- financial guarantee contracts issued.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Target Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Company always recognises lifetime ECL for trade receivables and other receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively with internal credit ratings.

For all other instruments, the Target Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Target Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Target Company has reasonable and supportable information that demonstrates otherwise.

The Target Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Company, in full (without taking into account any collaterals held by the Target Company).

Irrespective of the above, the Target Company considers that default has occurred when a financial asset is more than 365 days past due unless the Target Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Target Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Target Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Target Company in accordance with the contract and the cash flows that the Target Company expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics. Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments/receivables that are measured at FVTOCI, the Targert Company recognises on impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are mainly classified into following specified categories: financial assets at fair value through profit or loss ("**FVTPL**"), available-for-sale ("**AFS**") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FVTPL or (iii) contingent consideration that may be received by an acquirer as part of a business combination.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Target Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading (or contingent consideration that may be received by an acquirer as part of a business combination) may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Target Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 54.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, cash held on behalf of clients and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

The criteria that the Target Company uses to determine that there is objective evidence of an impairment include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties; or
- deterioration in the value of collateral.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Target Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Target Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Target Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Target Company continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Target Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Target Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Target Company has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including borrowings, deferred consideration, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition of financial liabilities

The Target Company derecognises financial liabilities when, and only when, the Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Target Company accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Target Company) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Target Company considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Employee benefits

Short term employee benefits contributions

Salaries, annual bonuses, paid annual leave and contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Defined contribution retirement plans

Pursuant to the relevant laws and regulations of the PRC, the Target Company's subsidiaries in the PRC have joined defined contributions for the employees, such as basic pension scheme, housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Target Company makes contributions to the above mentioned schemes at the applicable rates based on the amounts stipulated by the government organisation. The contributions are charged to profit or loss on an accrual basis.

Taxation

Taxation represents the sum of the income tax expense currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the combined statements of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Target Company's cash management.

For the purpose of the statements of financial position, bank balances including term deposits, which are not restricted as to use.

Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Target Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Foreign currencies

The Financial Information are presented in Hong Kong dollars, which is the Target Company's functional currency. Each entity in the Target Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Target Company are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Period. Differences arising on settlement or translation of monetary items are recognised in the profit or loss.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Related parties

(i) A person, or a close member of that person's family, is related to the Target Company if that person:

(a) has control or joint control of the Target Company;

(b) has significant influence over the Target Company; or

(c) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

(ii) An entity is related to the Target Company if any of the following conditions applies:

(a) the entity and the Target Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) both entities are joint ventures of the same third party.

(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company. If the Target Company is itself such a plan, the sponsoring employers are also related to the Target Company.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) The entity, or any member of a company of which it is a part, provides key management personnel services to the Target Company or to the parent of the Target Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Target Company's Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment loss of trade receivables (before application of HKFRS 9)

Trade receivables are reviewed periodically to assess whether impairment losses exist and if they exist, the amounts of the impairment losses are estimated based on historical loss experience for trade receivables with similar credit risks. The methodology and assumptions used in estimating future cash flows are reviewed regularly to reduce any difference between loss estimates and the actual amounts.

Provision for ECL for trade receivables (after application of HKFRS 9)

The Target Company uses a provision of matrix to calculate ECLs for trade receivables. The provision matrix is based on management's estimate of the lifetime ECL to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement. The Target Company regularly monitors and reviews assumptions related to the calculation of ECL. The above estimation techniques and key assumptions have not changed significantly in 2020 and 2019.

Going concern consideration

The sole director of the Target Company has prepared the financial statements on the assumption that the Target Company will be able to operate as a going concern in the foreseeable future, which is a critical judgement that has the most significant effect on the amounts recognised in the financial statements. The assessment of the going concern assumption involves making a judgement by the director, about the future outcome of events or conditions which are inherently uncertain. The director considers that, after taking into account of all major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption as set out in Note 2 to the financial statements, the Target Company has the capability to continue as a going concern.

Income taxes

The Target Company is subject to income tax in Hong Kong. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Target Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. REVENUE AND SEGMENT INFORMATION

Revenue from contracts with customers for the Relevant Period is as follows:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Revenue from contracts with customers within the scope of HKFRS 15			
Commission income	3,635,411	6,489,694	2,204,373
Timing of revenue recognition			
At a point of time	3,635,411	6,489,694	2,204,373

The Target Company derives all its revenue from the provision of insurance brokerage services in Hong Kong. The management of the Target Company, monitors the revenue, results, assets and liabilities of the business as a whole based on the management accounts prepared in accordance with HKFRSs, and considers the assets and liabilities of the business, which included all assets and liabilities as stated in the statements of financial position, and considers the revenue and results of the business which represented revenue and profit for the year as stated in the statements of profit or loss and other comprehensive income.

Accordingly, the management of the Target Company has determined that the Target Company operates in one operating segment under the requirement of HKFRS 8 Operating Segment.

Furthermore, as all revenue is derived from Hong Kong based on the location of operation of the Target Company, no geographical information is presented.

Revenue from major customers

Revenue from customers contributing over 10% of total revenue of the Target Company are set out as follow:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Customer A	1,369,412	1,089,001	N/A[1]
Customer B	1,056,290	1,252,730	N/A[1]
Customer C	N/A[1]	643,340	N/A[1]
Customer D	N/A[1]	899,983	687,573
Customer E	N/A[1]	N/A[1]	233,105
Customer F	N/A[1]	N/A[1]	320,782

1 The revenue contributed from the customer was not over 10% of the total revenue of the Target Company during the Relevant Period.

7. LOSS FOR THE YEAR

Target Company's loss for the Relevant Period are stated after charging the following:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Depreciation of property, plant and equipment	32,057	32,057	32,057
Auditor's remuneration	20,000	35,000	–
Written off of property, plant and equipment	–	–	13,940
Staff costs (including director's emolument):			
Salaries and other costs	766,329	790,539	1,092,020
Retirement benefits schemes contributions	39,803	38,626	55,936

8. DIRECTOR'S EMOLUMENT AND FIVE HIGHEST PAID INDIVIDUALS

(a) Director's emolument

Director's emolument paid to the sole director of the Target Company during the Relevant Period is as follows:

	Fees	Salaries and other benefits	Pension scheme contribution	Total
	HK$	*HK$*	*HK$*	*HK$*
For the year ended 31 March 2018				
Executive director				
Mr. Yeung Man Sun	–	–	–	–

	Fees	Salaries and other benefits	Pension scheme contribution	Total
	HK$	*HK$*	*HK$*	*HK$*
For the year ended 31 March 2019				
Executive director				
Mr. Yeung Man Sun	–	–	–	–

	Fees	Salaries and other benefits	Pension scheme contribution	Total
	HK$	*HK$*	*HK$*	*HK$*
For the year ended 31 March 2020				
Executive director				
Mr. Yeung Man Sun *(Resigned on 17 March 2020)*	–	–	–	–
Mr. Cai Quan *(Appointed on 17 March 2020)*	–	–	–	–
	–	–	–	–

(b) Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Target Company's business to which the Target Company was a party and in which the sole director of the Target Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the Relevant Period.

(c) Five highest paid individuals

The five highest paid individuals whose emoluments were the highest in the Target Company for the Relevant Period do not include directors whose emolument are reflected in the analysis presented above, respectively. The emoluments payables to the remaining five individuals during the Relevant Period are set out as follow:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Salaries and other employee benefits	766,329	790,539	1,051,019

The emoluments paid/payable to the above non-director individuals during the Relevant Period fell within the following band:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Nil to HK$1,000,000	68,500	69,855	51,398

9. INCOME TAX

(a) Income tax in the statement of profit or loss represents:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Deferred tax *(note 9(b))*	(14,934)	4,919	2,186

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profits arising from Hong Kong for the Relevant Period.

On 21 May 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantively enacted. Under the two-tiered profits tax regime, the first HK$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year of assessment 2018/2019. Profits above HK$2 million will continue to be subject to the tax rate of 16.5%. The sole director of the Target Company considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the financial statements. Thus, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the Relevant Period.

No provision for Hong Kong Profits Tax is made in the financial statement as the Target Company has no assessable profit for the financial years of 2018, 2019 and 2020.

(b) Income tax (credit) expense for the years can be reconciled to the loss before tax per the statement of profit or loss as follows:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Loss before tax	(64,483)	(55,640)	(962,626)
Tax at the Hong Kong Profits Tax rate of 16.5%	(10,640)	(9,181)	(158,834)
Tax effect on temporary differences not recognised	(2)	(3)	(17)
Tax effect on tax losses not recognised	25,576	4,265	156,665
Income tax (credit) expense	14,934	(4,919)	(2,186)

(c) The components of deferred tax liabilities recognised in the statement of financial position and the movements during the Relevant Period are as follows:

	Accelerated tax depreciation
	HK$
At 1 April 2017	–
Charged to the statement of profit or loss	(14,934)
At 31 March 2018 and 1 April 2018	(14,934)
Credited to the statement of profit or loss	4,919
At 31 March 2019 and 1 April 2019	(10,015)
Credited to the statement of profit or loss	2,186
At 31 March 2020	(7,829)

(d) Deferred tax assets not recognised

Deferred tax assets of the Target Company amounting to HK$408,823 as at 31 March 2018, HK$434,672 as at 31 March 2019 and HK$1,384,151 as at 31 March 2020, arising from unused tax losses have not been recognised in the financial statements due to the uncertainty as to their future utilisation. The unused tax losses have no expiry date.

10. DIVIDEND

No dividend was paid or proposed to the shareholders of Target Company during the Relevant Period.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture and fixture	Office equipment	Total
	HK$	*HK$*	*HK$*	*HK$*
COST				
At 1 April 2017	–	–	–	–
Additions	34,850	5,436	120,000	160,286
At 31 March 2018 and 1 April 2018	34,850	5,436	120,000	160,286
Additions	–	–	–	–
At 31 March 2019 and 1 April 2019	34,850	5,436	120,000	160,286
Additions	–	–	–	–
Written off	(34,850)	–	–	(34,850)
At 31 March 2020	–	5,436	120,000	125,436
ACCUMULATED DEPRECIATION				
At 1 April 2017	–	–	–	–
Charge for the year	6,970	1,087	24,000	32,057
At 31 March 2018 and 1 April 2018	6,970	1,087	24,000	32,057
Charge for the year	6,970	1,087	24,000	32,057
At 31 March 2019 and 1 April 2019	13,940	2,174	48,000	64,114
Charge for the year	6,970	1,087	24,000	32,057
Written off	(20,910)	–	–	(20,910)
At 31 March 2020	–	3,261	72,000	75,261
CARRYING AMOUNTS				
At 31 March 2020	–	2,175	48,000	50,175
At 31 March 2019	20,910	3,262	72,000	96,172
At 31 March 2018	27,880	4,349	96,000	128,229

12. TRADE RECEIVABLES

		As at 31 March		
		2018	2019	2020
	Notes	*HK$*	*HK$*	*HK$*
Trade receivables	*(a)*	301,040	224,768	146,457
Less: Impairment loss recognised		–	–	–
		301,040	224,768	146,457

(a) Trade receivables

As at 31 March 2018, 2019 and 2020 the following trade receivables, net of impairment, were past due but not impaired. These relate to numbers of independent customers for whom there is no recent history of default and a substantial portion of the carrying amount is subsequently settled. The aging analysis of these trade receivables is as following:

	As at 31 March		
	2018	2019	2020
	HK$	*HK$*	*HK$*
Within 1 year	301,040	224,768	136,529
Between 1 and 2 years	–	–	9,928
Between 2 and 3 years	–	–	–
Over 3 years	–	–	–
	301,040	224,768	146,457

13. BANK BALANCE AND CASH

The carrying amounts of bank balances and cash of the Target Company are denominated in HK$.

14. TRADE AND OTHER PAYABLES

	As at 31 March		
	2018	2019	2020
	HK$	*HK$*	*HK$*
Trade payables	245,820	152,792	110,686
Other payables and accruals	527,901	578,191	543,222
	773,721	730,983	653,908

(a) Trade payables

The following is an aging analysis of trade payables presented based on the date of service rendered.

	As at 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Within 1 year	243,413	146,883	105,361
Between 1 and 2 years	2,407	5,909	5,325
Between 2 and 3 years	–	–	–
Over 3 years	–	–	–
	245,820	152,792	110,686

15. SHARE CAPITAL

	Note	**Number ordinary shares**	*HK$000*
Issued and fully paid:			
As at 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019		800,000	800
Issuance and allotment of additional ordinary shares of the Target Company	(a)	500,000	500
As at 1 April 2019 and 31 March 2020		1,300,000	1,300

Note:

(a) The Target Company issued and allotted 500,000 additional shares for a total consideration of HK$500,000 on 28 June 2019.

The Target Company's objectives when managing capital are to safeguard the Target Company's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Target Company sets the amount of capital in proportion to risk. The Target Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Target Company may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

16. RELATED PARTY TRANSACTIONS

(a) In addition to those disclosed in other sections of the financial statements, the Target Company undertook the following transactions with related parties during the Relevant Period:

	Year ended 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Consultancy fee to a shareholder	–	100,000	–
Commission expenses to a shareholder	1,002,745	367,167	1,019,839

(b) The Target Company had the following outstanding balances with related parties at the end of the Relevant Period:

(i) Amount due to a shareholder is unsecured, interest-free and repayable on demand.

		As at				Maximum amount outstanding during the year ended		
		1 April 2017	**31 March 2018**	**31 March 2019**	**31 March 2020**	**31 March 2018**	**31 March 2019**	**31 March 2020**
	Note	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
(ii) Amount due from sole director	*a*	95,251	95,251	95,251	95,251	95,251	95,251	95,251

Note:

(a) Amount due from sole director is unsecured, interest-free and repayable on demand.

17. CONTINGENT LIABILITIES

As at the end of the Relevant Period and up to the date of approval of the Historical Financial Information, the Target Company did not have any significant contingent liabilities.

18. EVENTS AFTER RELEVANT PERIOD

Impact of Novel Coronavirus Outbreak to the Target Company

Since January 2020, the outbreak of Novel Coronavirus ("**COVID-19**") has impact on the global business environment. Up to the date of these financial results, COVID-19 has not resulted in material impact on the Target Company. Pending on the development and spread of COVID-19 subsequent to the date of these financial results, further changes in economic conditions for the Target Company arising thereof may have impact on the financial results of the Target Company, the extent of which could not be estimated as at the date of these financial results. The Target Company will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Target Company.

19. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that entities in the Target Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Target Company's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of the Target Company consists of debts (mainly including amount due to shareholder), net of bank balances and cash, and equity attributable to owners of the Target Company, comprising registered capital and reserves.

The management of the Target Company reviews the capital structure from time to time. As part of this review, the management of the Target Company considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the sole director of the Target Company, the Target Company will balance its overall capital structure through issue of capital as well as the issue of new debt or the redemption of existing debts.

20. FINANCIAL INSTRUMENTS

(1) Categories of financial instruments

	As at 31 March		
	2018	**2019**	**2020**
	HK$	*HK$*	*HK$*
Financial assets			
Financial assets at amortised cost	–	1,122,520	628,816
Loan and receivables (including cash and cash equivalents)	1,188,841	–	–
	1,188,841	1,122,520	628,816
Financial liabilities			
Amortised cost	782,079	739,341	662,266
	782,079	739,341	662,266

(2) Financial risk management objectives and policies

The Target Company's major financial instruments include trade and other receivables, bank balances amount due from sole director, amount due to shareholder and trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include liquidity risk and credit risk.

The policies on how to mitigate these risks are set out below. The management of the Target Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk and impairment assessment

The Target Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of each class of recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, management of the Target Company has delegated a team to compile credit and risk management policies, to approve credit limits and to determine any debt recovery action on those delinquent receivables. In addition, the Target Company reviews the recoverable amount of each individual receivable at the end of the Relevant Period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the sole director of the Company consider that the Target Company's credit risk is significantly reduced. In addition, the Target Company performs impairment assessment under ECL model based on provision matrix (after application of HKFRS 9) or credit impaired (before application of HKFRS 9). The director is of the opinion that the risk of default by these counterparties are not significant. Therefore, no provision was made as at 31 March 2018, 2019 and 2020.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Target Company considers the credit risk characteristics and the days past due to measure ECL. For the year ended of the Relevant Period, the expected credit losses rate for customers of provision of insurance brokerage services is minimal, given there is no history of significant defaults from customers and insignificant impact from forward-looking estimates. The assessed ECL for trade receivables are not material. Before application of HKFRS 9, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. For these receivables, the estimated impairment losses were recognised in a separate provision for impairment. The Target Company considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation; and
- default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

For other financial assets at amortised cost, the management of Target Company considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position.

The Target Company has no significant concentration of credit risk by any single debtor.

Bank balances and cash in bank accounts are placed in various authorised institutions and the management of the Target Company consider the credit risk for such institutions minimal.

Liquidity risk

Management aims to maintain sufficient cash to meet funding requirement for operations and monitor rolling forecasts of Target Company's cash on the basis of expected cash flows.

The table below analyses Target Company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand or less than 1 month	1-3 months	3 months to 1 year	Between 1 and 2 years	Total undiscounted cash flow	Carrying amount
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At as 31 March 2018						
Trade and other payables	773,721	–	–	–	773,721	773,721
Amount due to shareholder	8,358	–	–	–	8,358	8,358
	782,079	–	–	–	782,079	782,079
At as 31 March 2019						
Trade and other payables	730,983	–	–	–	730,983	730,983
Amount due to shareholder	8,358	–	–	–	8,358	8,358
	739,341	–	–	–	739,341	739,341
At as 31 March 2020						
Trade and other payables	653,908	–	–	–	653,908	653,908
Amount due to shareholder	8,358	–	–	–	8,358	8,358
	662,266	–	–	–	662,266	662,266

21. STATEMENT OF ADJUSTMENTS

Statement of Profit or Loss and Other Comprehensive Income of the Target Company

For the year ended 31 March 2018

	Per audited report	Adjustment and reclassification note 1	Adjustment and reclassification note 2	Audited amount
	HK$	*HK$*	*HK$*	*HK$*
Revenue	3,776,252	–	(140,841)	3,635,411
Commission expenses	(3,054,321)	–	307,108	(2,747,213)
Gross profit	721,931	–	166,267	888,198
Other income, gains or losses	10,010	–	–	10,010
Administrative and other operating expenses	(962,691)	–	–	(962,691)
Loss before tax	(230,750)	–	166,267	(64,483)
Taxation	(15,454)	520	–	(14,934)
Loss for the year	(246,204)	520	166,267	(79,417)

Notes:

1. This represents an adjustment of overstatement of deferred tax asset.

2. This represents an adjustment of overstatement and understatement of revenue and cost of services.

For the year ended 31 March 2019

	Per audited report	Adjustment and reclassification note 1	Adjustment and reclassification note 2	Adjustment and reclassification note 3	Adjustment and reclassification note 4	Audited amount
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Revenue	8,576,215	(164,722)	–	(1,921,799)	–	6,489,694
Commission expenses	(5,050,752)	(393,536)	–	–	72,764	(5,371,524)
Gross profit	3,525,463	(558,258)	–	(1,921,799)	72,764	1,118,170
Other income, gains or losses	55,597	–	–	–	–	55,597
Administrative and other operating expenses	(3,005,094)	–	(73,348)	1,921,799	(72,764)	(1,229,407)
Profit (loss) before tax	575,966	(558,258)	(73,348)	–	–	(55,640)
Taxation	4,919	–	–	–	–	4,919
Profit (loss) for the year	580,885	(558,258)	(73,348)	–	–	(50,721)

Notes:

1. This represents an adjustment of overstatement and understatement of revenue and cost of services.

2. This represents an adjustment of understatement of salaries and mandatory provident fund schemes.

3. This represents a reclassification of premium to insurer company from administrative expenses to revenue.

4. This represents a reclassification of agent commission from administrative expenses to cost of services.

Statement of Financial Position of the Target Company

For the year ended 31 March 2018

	Per audited report	Adjustment and reclassification note 1	Adjustment and reclassification note 2	Adjustment and reclassification note 3	Audited amount
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Non-current assets					
Property, plant and equipment	128,229	–	–	–	128,229
Total non-current asset	128,229	–	–	–	128,229
Current assets					
Trade receivables	80,904	–	220,136	–	301,040
Amount due from sole director	95,251	–	–	–	95,251
Amount due from shareholder	1	–	–	(1)	–
Bank balances and cash	792,550	–	–	–	792,550
Total current assets	968,706	–	220,136	(1)	1,188,841
Current liabilities					
Trade and other payables	(728,211)	–	(53,869)	8,359	(773,721)
Amount due to shareholder	–	–	–	(8,358)	(8,358)
Total current liabilities	(728,211)	–	(53,869)	1	(782,079)
Net current assets	240,495	–	166,267	–	406,762
Total assets less current liabilities	368,724	–	166,267	–	534,991
Non-current liability					
Deferred tax liabilities	(15,454)	520	–	–	(14,934)
Net assets	353,270	520	166,267	–	520,057
Capital and reserves					
Share capital	800,000	–	–	–	800,000
Reserves	(446,730)	520	166,267	–	(279,943)
Total equity	353,270	520	166,267	–	520,057

Notes:

1. This represents an adjustment of overstatement of deferred tax liabilities.

2. This represents an adjustment of overstatement and understatement of revenue and cost of services.

3. This represents a reclassification from other payables and amount due from shareholder to amount due to shareholder.

Statement of Financial Position of the Target Company

For the year ended 31 March 2019

	Per audited report	Adjustment and reclassification note 1	Adjustment and reclassification note 2	Adjustment and reclassification note 3	Adjustment and reclassification note 4	Audited amount
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Non-current assets						
Property, plant and equipment	96,172	–	–	–	–	96,172
Total non-current assets	96,172	–	–	–	–	96,172
Current assets						
Trade receivables	90,488	–	–	134,280	–	224,768
Amount due from sole director	95,251	–	–	–	–	95,251
Amount due from shareholder	1	–	(1)	–	–	–
Bank balances and cash	802,501	–	–	–	–	802,501
Total current assets	988,241	–	(1)	134,280	–	1,122,520
Current liabilities						
Trade and other payables	(139,723)	–	8,359	(526,271)	(73,348)	(730,983)
Amount due to shareholder	–	–	(8,358)	–	–	(8,358)
Total current liabilities	(139,723)	–	1	(526,271)	(73,348)	(739,341)
Net current assets	848,518	–	–	(391,991)	(73,348)	383,179
Total assets less current liabilities	944,690	–	–	(391,991)	(73,348)	479,351
Non-current liability						
Deferred tax liabilities	(10,535)	520	–	–	–	(10,015)
Net assets	934,155	520	–	(391,991)	(73,348)	469,336
Capital and reserves						
Share capital	800,000	–	–	–	–	800,000
Reserves	134,155	520	–	(391,991)	(73,348)	(330,664)
Total equity	934,155	520	–	(391,991)	(73,348)	469,336

Notes:

1. This represents an adjustment for the overstatement of deferred tax liabilities.

2. This represents a reclassification from other payables and amount due from shareholder to amount due to shareholder.

3. This represents an adjustment of understatement of revenue and cost of services.

4. This represents an adjustment of understatement of accrual and salaries payables.

The information set out in this appendix does not form part of the accountants' report prepared by the reporting accountants of our Company, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, set out in Appendix II "Accountants' report of the financial information of the Target Company" to this circular and is included herein for information only.

BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is an illustrative unaudited pro forma consolidated statement of financial position (the "Unaudited Pro Forma Financial Information") of Golden Century International Holdings Group Limited (the "Company", and together with its subsidiaries, the "Group"), as enlarged by the proposed acquisition of United Able International Limited (the "Target Company") (the "Proposed Acquisition"). The Group as enlarged by the Proposed Acquisition upon completion of the Proposed Acquisition is hereafter collectively referred to as the "Enlarged Group". The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the "Directors") in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and on the basis of the notes set forth below for the purpose of illustrating the effects of the Proposed Acquisition as if the Acquisitions had been completed at 31 December 2019.

The Unaudited Pro Forma Financial Information has been prepared using accounting policies consistent with those of the Group as set out in the annual report of the Group for the year ended 31 December 2019.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Acquisition been completed as at 31 December 2019 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

	Audited consolidated statement of assets and liabilities of the Group at 31 December 2019	**Audited statement of assets and liabilities of the Target Company at 31 March 2020**	**Pro forma Adjustments**	*Notes*	**Unaudited pro forma consolidated statements of assets and liabilities of the Enlarged Group**
	HK$'000	*HK$'000*	*HK$'000*		*HK$'000*
	Note 1	*Note 2*			
Non-current assets					
Property, plant and equipment	71,079	50			71,129
Goodwill	–	–	292	*(4)*	292
Intangible assets	94,751	–			94,751
Financial assets at fair value through profit or loss	1,000	–			1,000
Right-of-use assets	1,798	–			1,798
	168,628	50			168,970
Current assets					
Trade and other receivables	1,692	147			1,839
Financial assets at fair value through profit or loss	10,125	–			10,125
Bank balances and cash	10,509	387	3,000	*(3)*	13,896
Amount due from sole director	–	95			95
	22,326	629			25,955

	Audited consolidated statement of assets and liabilities of the Group at 31 December 2019	Audited statement of assets and liabilities of the Target Company at 31 March 2020	Pro forma Adjustments	Note	Unaudited pro forma consolidated statements of assets and liabilities of the Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*		*HK$'000*
	Note 1	*Note 2*			
Current liabilities					
Borrowings	25,000	–			25,000
Other borrowings, unsecured	11,059	–			11,059
Trade and other payables	38,517	654			39,171
Bonds	4,976	–			4,976
Lease liabilities	1,159	–			1,159
Tax payable	5,328	–			5,328
Amount due to shareholder	–	8			8
	86,039	662			86,701
Net current liabilities	(63,713)	(33)			(60,746)
Total assets less current liabilities	104,915	17			108,224
Non-current liabilities					
Other payables	16,342	–			16,342
Bonds	9,990	–			9,990
Convertible notes – liability portion, unsecured	268,607	–			268,607
Convertible notes – embedded derivatives, unsecured	110,348	–			110,348
Lease liabilities	646	–			646
Loan from ultimate holding company	10,000	–			10,000
Deferred tax liabilities	16,716	8			16,724
	432,649	8			432,657
Net (liabilities) assets	(327,734)	9			(324,433)

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(1) The amounts have been extracted from the audited consolidated statement of financial position of the Group as at 31 December 2019, without adjustment, as set out in the published annual report of the Company for the year ended 31 December 2019.

(2) The amounts have been extracted from the audited statement of financial position of the Target Company as at 31 March 2020 in the accountant's report as set out in Appendix II to this circular.

(3) The pro forma adjustments represent the total consideration payable by the Group to subscribe 11,700,000 new shares, representing 90% of the enlarged issued share capital of the Target Company. Pursuant to the Share Subscription Agreement (as defined in this circular), the total consideration of HK$3,000,000 (the ''Consideration'') for the subscription of new share of the Target Company and which would be satisfied by cash of HK$3,000,000 to be paid by upon the Completion Date.

For the purposed of the unaudited pro forma financial information, the following adjustments have been made to reflect the settlement of the consideration:

	Face value	Fair value as at 31 March 2020
	HK$'000	*HK$'000*
Consideration		
Cash	3,000	3,000
	3,000	3,000

(4) The pro forma adjustments represent the recognition of goodwill arising from the Proposed Acquisition derived from the calculation as follows:

	Fair value as at 31 March 2020
	HK$'000
Cash consideration (fair value) *(Note 3)*	3,000
Less:	
Fair values of the identifiable net asset of the Target Company	
– before Subscription Completion	9
– cash received upon Subscription Completion	3,000
	3,009
Attributable to the non-controlling interests*	(301)
Attributable to the Group	2,708
Goodwill arising from the Proposed Acquisition	292

* The non-controlling interests are measured at the non-controlling interests' proportionate share of fair value of the identifiable net assets of the Target Company.

For the purpose of preparing the unaudited pro forma financial information, the Directors assessed that the fair values of the identifiable assets and liabilities of the Target Company approximated to their carrying amount at 31 March 2020.

The goodwill arising from the Proposed Acquisition, being the excess of the fair value of the net consideration over the fair values of the identifiable net assets of the Target Company and adjusted for the non-controlling interests. Upon completion of the Proposed Acquisition, the identifiable assets and liabilities of the Target Company will be accounted for in the consolidated financial statements of the Enlarged Group at fair value under acquisition accounting in accordance with HKFRS 3 (Revised) "Business Combination" issued by the HKICPA.

The fair value of the identifiable assets and liabilities of the Target Company used in the preparation of the unaudited pro forma financial information are subject to changes up to the completion of the Proposed Acquisition and is to be re-assessed on the date of completion of the Proposed Acquisition. Consequently, the actual allocation of the consideration, the resulting goodwill to be recognised in connection with the Proposed Acquisition at the completion date could be materially different from the estimated amounts stated herein and will likely result in different amounts than those stated in the unaudited pro forma financial information.

For the purpose of the unaudited pro forma financial information, the Directors have made an assessment on whether there is any impairment in respect of the goodwill arising from the Proposed Acquisition with reference to Hong Kong Accounting Standard ("HKAS") 36 "Impairment of Assets" issued by the HKICPA. Based on the Directors' assessment, the Directors consider that there is no impairment indicator on the goodwill with assumed value set out in the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 31 December 2019.

The Directors confirmed that they will apply consistent accounting policies, principal assumptions and methodology in impairment assessment in subsequent reporting periods.

(5) Save as set out above, the unaudited pro forma consolidated statement of assets and liabilities does not take into account any trading results or other transactions of the Group and the Target Company subsequent to 31 December 2019 and 31 March 2020 respectively as included in the unaudited pro forma consolidated statement of assets and liabilities.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountants, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

PAN-CHINA
天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

香港灣仔莊士敦道 181 號大有大廈 15 樓 1501-8 室
Rooms 1501-8, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong.
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170

The Board of Directors
Golden Century International Holdings Group Limited
45th Floor, Tower 1,
Times Square,
1 Matheson Street,
Causeway Bay,
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Golden Century International Holdings Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2019 and notes as set out in Appendix III of the circular issued by the Company dated 23 July 2020 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of the United Able International Limited (the "Target Company") on the Group's financial position as at 31 December 2019 as if the transaction had taken place at 31 December 2019. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's consolidated financial statements as included in the annual report for the year ended 31 December 2019, which was published on 31 March 2020.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" (the "AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Confucius International CPA Limited
Certified Public Accountants
Hong Kong
28 July 2020

*Set out below is the management discussion and analysis of the Target Company for the financial years ended 31 March 2018, 2019 and 2020 (the "**Relevant Period**"). The following financial information is based on the Accountants' Report on the Target Company as set out in Appendix II to this circular.*

BUSINESS REVIEW

The Target Company is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Target Company is a licensed insurance broker under the Insurance Ordinance to conduct general and long term business (including linked long term business) related regulated activities.

As at the Latest Practicable Date, the Target Company is a wholly-owned subsidiary of Spring Wave which is an investment holding company wholly-owned by Mr. Cai Quan. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, each of Spring Wave and its ultimate beneficial owner is an Independent Third Party.

FINANCIAL REVIEW

Revenue and gross profit margin

The Target Company's revenue was derived mainly from commission income from insurance brokerage and the services of which include general insurance and life insurance. Revenue generated from commission income from insurance brokerage for the financial years ended 31 March 2018, 2019 and 2020 amounted to approximately HK$3,635,000, HK$6,490,000 and HK$2,204,000, respectively.

As set out above, the revenue of the Target Company increased from approximately HK$3,635,000 for the year ended 31 March 2018 to HK$6,490,000 for the year ended 31 March 2019, representing an increase of approximately 78.54%. As advised by the management of the Target Company, such increase was mainly attributable to an increase in the number of customers requested for both life insurance and general insurance services during the year. However, due to (i) the economics conditions of Hong Kong in the second half of 2019; and (ii) the outbreak of the novel coronavirus pandemic since early 2020, the number of customers requested for the Target Company's services has decreased significantly leading to a decrease of revenue of the Target Company to approximately HK$2,204,000 for the year ended 31 March 2020, representing a decrease of approximately 66.04% as compared to that of the year ended 31 March 2019.

The Target Company's gross profit margin (expressed as a percentage relative to the Target Company's revenue derived from its revenue) amounted to 24.43%, 17.23%, and 16.89% for the financial years ended 31 March 2018, 2019 and 2020, respectively.

Loss for the year

The Target Company recorded a net loss after tax for the years ended 31 March 2018, 2019 and 2020, amounting to approximately HK$79,000, HK$51,000 and HK$960,000, respectively.

It is advised by the management of the Target Company that the increase in the loss position for the year ended 31 March 2020 as compared to that of the year ended 31 March 2019 was mainly attributable to (i) the decrease in revenue as mentioned above; and (ii) the increase in administrative and other operating expensive due to an increase in staff salaries and allowance during the year.

Property, plant and equipment

Property, plant and equipment of the Target Company mainly comprises (i) leasehold improvements; (ii) furniture and fixture; and (iii) office equipment. As at 31 March 2018, 2019 and 2020, property, plant and equipment of the Target Company amounted to approximately HK$128,000, HK$96,000 and HK$50,000, respectively.

Trade receivables

As at 31 March 2018, 2019 and 2020, the trade receivables of the Target Company amounted to approximately HK$301,000, HK$225,000 and HK$146,000, respectively. All of the trade receivables recognised as at 31 March 2020 related to independent customers for whom there is no recent history of default. As at the Latest Practicable Date, a substantial portion of the carrying amount of the Target Company's trade receivables as at 31 March 2020 has been settled.

Trade and other payables

As at 31 March 2018, 2019 and 2020, the trade and other payables of the Target Company amounted to approximately HK$774,000, HK$731,000 and HK$654,000, respectively.

Set out below is the breakdown setting out the amount of trade and other payables as at 31 March 2018, 2019 and 2020:

	As at 31 March		
	2018	**2019**	**2020**
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	246	153	111
Other payables and accruals	528	578	543
Total	774	731	654

As advised by the management of the Target Company, the trade payables of the Target Company mainly represented the commission to agents involved in the insurance brokerage services. Having said that there was an improvement in the timing of settlement of trade receivables, the timing to settle the trade payables had been shorten leading to a decreasing trend in the amount of trade payables from the year ended 31 March 2018 to 31 March 2020.

Liquidity and financial resources

The Target Company's principal source of funding has been cash generated from operating activities and proceeds from the issue of shares. The primary liquidity requirements have been for financing working capital of the Target Company's insurance brokerage operations.

	For the year ended 31 March		
	2020	**2019**	**2018**
	HK$'000	*HK$'000*	*HK$'000*
Net cash (used in) generated from operating activities	(915)	10	655
Net cash used in investing activities	–	–	(160)
Net cash generated from financing activities	500	–	–
Net (decrease)/increase in cash and cash equivalents	(415)	10	495

Net cash from operating activities mainly comprised (i) operating cashflows before movements in working capital; (ii) net cash inflow/outflow arising from changes in working capital; and (iii) cash outflow arising from Hong Kong profits tax paid during the relevant financial period.

Net cash used in investing activities mainly related to cash incurred in the acquisition of property, plant and equipment during the financial year ended 31 March 2018.

Net cash used in financing activities mainly related to the proceeds from issuance of shares of the Target Company on 28 June 2019.

The Target Company had not maintained any committed borrowing facilities or made any bank loan drawdown. The Target Company did not have any funding requirements for capital expenditure contracted for and authorised but not contracted for.

Capital structure and cash management

Share capital comprised 800,000 and 1,300,000 issued ordinary shares with no par value and were fully paid as at 31 March 2018, 2019 and 31 March 2020 respectively.

The Target Company had cash and bank balances as at 31 March 2018, 2019 and 2020 in the amounts of approximately HK$793,000, HK$803,000 and HK$387,000, respectively. The majority of the cash and bank balances were held in the form of bank deposits, with the remaining balances in the form of cash at bank and in hand.

During the Relevant Period, the Target Company did not have any borrowings and accordingly the Target Company did not have any gearing ratio.

The Target Company was not a contractual party to any arrangements in relation to any derivative financial instruments for the purpose of hedging its foreign currency exposure in relation to cash and bank balances and trade and other payables which were denominated in currencies other than Hong Kong dollars.

Segmental information

During the Relevant Period, the Target Company operated with one reportable and operating segment which is geographically located in Hong Kong. As such, there was no segmental information available for the Relevant Period.

Material acquisition or disposal of subsidiary or associated company

During the Relevant Period, the Target Company did not have any material acquisition or other material disposal.

Charge on assets

During the Relevant Period, the Target Company had no outstanding charges or encumbrances on its assets.

Capital commitments

As at 31 March 2018 and 2019 and 2020, the Target Company had no capital commitments.

Employees and remuneration policy

As at 31 March 2018, 2019 and 2020, the Target Company had 4, 4 and 5 full-time employees respectively.

The remuneration packages for the full-time employees of the Target Company were in line with the market level of pay in the industry. The remuneration packages for full-time employees typically comprise salaries, allowances and discretionary year-end bonuses. A defined contribution retirement scheme is provided by the Target Company towards Mandatory Provident Fund or a plan under the Occupational Retirement Schemes Ordinance for eligible employees, and the long-time employees of the Target Company are also entitled to retirement benefits under long service payment liabilities on cessation of employment in accordance with the employee's years of service under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and which amounts are reduced by the employee's accrued entitlements under the Target Company's defined contribution retirement scheme. On-going training programme is also offered to all the employees of the Target Company.

Accordingly, staff costs comprise (i) salaries, allowances and bonuses; (ii) pension costs under defined contribution retirement scheme; (iii) retirement benefits under long service payment liabilities; (iv) provision for unutilised annual leave; and (v) other staff costs including staff quarter, staff welfare and staff recruitment expenditures.

For the financial years ended 31 March 2018, 2019 and 2020, staff costs (excluding directors' emoluments) amounted to approximately HK$766,000, HK$791,000 and HK$1,092,000 respectively. The Director did not receive any emolument and fee for the Relevant Period.

Foreign currency exposure

During the Relevant Period, the Target Company had no significant exposure to foreign currency risk as substantially all of the Target Company's transactions were denominated in Hong Kong dollars.

Contingent liabilities

The Target Company did not have any material contingent liabilities during the Relevant Period and as of the Latest Practicable Date.

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. DISCLOSURE OF 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, underlying Shares and debentures of the Company or 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 Part XV of the SFO (including interest 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 for Securities Transactions by Directors of Listed Companies contained in the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange, were as follows:

Name of Directors/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	469,817,393 *(Note 2)*	3,035,787,471 *(Note 3)*	3,505,604,864	421.43%

Notes:

1. Based on 831,841,312 ordinary shares of the Company issued as at the Latest Practicable Date.

2. These 469,817,393 ordinary shares of the Company held by Century Gold Millennium International Holdings Group Limited, which is wholly owned by Mr. Pan Jibiao. Pursuant to the SFO, Mr. Pan Jibiao is deemed to be interested in these ordinary shares of the Company.

3. These 3,035,787,471 underlying shares consist of (i) a total of 77,454,138 warrant shares at an exercise price of HK$0.04 per warrant share which may be allotted and issued upon exercise in full of such warrants; and (ii) a total of 2,958,333,333 conversion shares at a conversion price of HK$0.12 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 2021, in an aggregate outstanding principal amount of HK$355,000,000 as at the Latest Practicable Date.

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 of the Company, 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' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best of the Directors' knowledge, as at the Latest Practicable Date, the following persons (not being Director or chief executive of the Company) had, or were deemed to have, interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the issued voting shares of any member of the Enlarged Group, or which were recorded in the register required to be kept under section 336 of the SFO:

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 *(Note 1)*
Century Gold Millennium International Holdings Group Limited *(Note 2)*	Beneficial owner	469,817,393	3,035,787,471 *(Note 3)*	3,505,604,864	421.43%

Notes:

1. Based on 831,841,312 ordinary shares of the Company issued as at the Latest Practicable Date.

2. These 469,817,393 ordinary shares of the Company held by Century Gold Millennium International Holdings Group Limited, which is wholly owned by Mr. Pan Jibiao. Pursuant to the SFO, Mr. Pan Jibiao is deemed to be interested in these ordinary shares of the Company.

3. These 3,035,787,471 underlying shares consist of (i) a total of 77,454,138 warrant shares at an exercise price of HK$0.04 per warrant which may be allotted and issued upon exercise in full of such warrants; and (ii) a total of 2,958,333,333 conversion shares at a conversion price of HK$0.12 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 2021, in an aggregate outstanding principal amount of HK$355,000,000 as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other interests or short positions in shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under section 336 of the SFO.

4. COMPETING INTEREST

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, each Director, except Mr. Chan Yim Por Bonnie, has entered into a service contract with the Company for a term of three years but subject to retirement by rotation and re-election in accordance with the Company's Articles of Association and the Listing Rules. As at the Latest Practicable Date, Mr. Chan Yim Por Bonnie has not entered into any service contract with the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service agreement with the Company (excluding contracts expiring or determinable by the Company 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, save as disclosed, none of the Directors had any direct or indirect interest in any asset which had, since 31 December 2019 (the date to which the latest published audited financial statements of the Group were made up), 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. LITIGATION

On 2 August 2019, Canada Can-Elite Energy Limited ("**Can-Elite**"), a wholly subsidiary of the Company, received a statement of claim issued by Shandong Taishan Resource Exploration Company Limited ("**Taishan**") and filed with the Beijing Dongcheng District People's Court (the "**Beijing Dongcheng Court**") for alleged default in payment of outstanding engineering fees under agreement in an aggregate amount of RMB736,898 and all related interests and expenses; a hearing notification from the Beijing Dongcheng Court was given to attend a hearing on 7 August 2019; and a civil ruling was issued by the Beijing Dongcheng Court dated 18 July 2019 pursuant to which, the bank accounts of Can-Elite shall be frozen up to the amount of RMB830,000 or other assets of equivalent value.

On 20 September 2019, Can-Elite received a civil mediation order (民事調解書) and a civil judgement (民事裁定書) dated 10 September 2019 and 12 September 2019 respectively issued by the Beijing Dongcheng Court. Pursuant to the civil mediation order (民事調解書), Can-Elite shall (i) settle an aggregate amount of RMB132,000 by transferring 69 sets of casing with model number Φ139 (N80) to

Taishan; (ii) repay Taishan in an aggregate amount of RMB200,000 before 15 October 2019; (iii) repay Taishan in an aggregate amount of RMB404,898 by three instalments, payable on or before 30 November 2019, 23 January 2020 and 31 March 2020 respectively; and (iv) pay all related interest expenses for any default in such instalment payments. Pursuant to the civil judgement (民事裁定書), the frozen bank accounts of Can-Elite up to the amount of RMB830,000 or other assets of equivalent value were released. Please refer to the announcement of the Company dated 23 September 2019 for further details.

As of 31 December 2019, the payment settlements were completed pursuant to the above civil mediation order (民事調解書).

Save as disclosed above, there was no litigation, arbitration or claim of material importance in which the Company is engaged or pending or which was threatened against the Company.

9. EXPERT AND CONSENT

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

Name	Qualification
Confucius International CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, Confucius International CPA 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, and (ii) any direct or indirect interest in any assets which had been since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Company were made up) 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.

10. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and are or may be material:

(a) the convertible notes restructuring agreement dated 24 August 2018 entered into between the Company and New Alexander Limited in connection with the restructuring of the existing convertible notes due 31 December 2018 in the outstanding principal amount of HK$365,000,000 issued by the Company;

(b) the underwriting agreement entered into between the Company and Great Roc Capital Securities Limited ("**Great Roc Capital**") dated 13 June 2019 (the "**Underwriting Agreement**") in relation to the underwriting arrangement in respect of the proposed issue by way of rights on the basis of one (1) rights share of the Company for every two (2) shares of the Company in issue and held on the record date ("**Rights Issue**");

(c) the supplemental agreement to the Underwriting Agreement entered into between the Company and Great Roc Capital dated 16 July 2019, pursuant to which the Company and Great Roc Capital agreed to revise certain dates of the timetable of the Rights Issue;

(d) the second supplemental agreement to the Underwriting Agreement entered into between the Company and Great Roc Capital dated 8 August 2019, pursuant to which the Company and the Underwriter agreed to revise certain dates of the timetable of the Rights Issue;

(e) the Original Subscription Agreement;

(f) the sale and purchase agreement dated 19 May 2020 entered between the Company and SD Financial Group Holdings Limited as vendor, and Mr. Dai Zhi as guarantor, pursuant to which the Company agreed to conditionally acquire the entire issued capital of SD Limited and SD Asset Management Limited; and

(g) the Supplemental Agreement.

11. GENERAL

(a) The joint company secretaries of the Company are Mr. Lee Kin Fai and Mr. Huen Felix Ting Cheung, both of which are members 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 AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 45th Floor, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong for a period of 14 days from the date of this circular:

(a) the Original Share Subscription Agreement;

(b) the Supplemental Agreement;

(c) the memorandum and articles of association of the Company;

(d) the annual reports of the Company for each of the three financial years ended 31 December 2017, 2018 and 2019;

(e) the accountants' report of the Target Company, the text of which is set out in Appendix II to this circular;

(f) the report from Confucius International CPA Limited on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(g) the written consent referred to in paragraph headed "9. Expert and Consent" of this appendix;

(h) the material contracts referred to in the paragraph headed "10. Material Contracts" of this appendix;

(i) the service contracts referred to in the paragraph headed "5. Directors' Service Contracts" of this appendix; and

(j) 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)
(Warrant Code: 1807)

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 22/F, Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong on Wednesday, 19 August 2020 at 10:00 a.m., as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

"THAT:

(a) subject to the fulfillment of the terms and conditions set out in (i) the share subscription agreement dated 7 May 2020 (the "**Original Share Subscription Agreement**", a copy of which has been produced to the Meeting and signed by the chairman of the Meeting (the "**Chairman**") for identification purpose) entered into between the Company, Spring Wave Limited and United Able International Limited (the "**Target Company**"); and (ii) the supplemental agreement dated 24 June 2020 (the "**Supplemental Agreement**", a copy of which has been produced to the Meeting and signed by the Chairman for identification purpose) entered into between the Company, Spring Wave Limited and the Target Company to amend the terms of the Original Share Subscription Agreement, in relation to, among other things, the proposed subscription of 11,700,000 news shares to be allotted and issued by the Target Company at the total subscription amount of HK$3,000,000 (the "**Subscription**") which shall be satisfied by cash, the Original Share Subscription Agreement (as amended by the Supplemental Agreement) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorized to do all such acts and things, to sign and execute all such documents, instruments or agreements (and to affix the common seal of the Company thereon, if necessary) for and on behalf of the Company as he/she/they may in his/her/their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Original Share Subscription Agreement (as amended by the Supplemental Agreement) and the transaction contemplated thereunder''

Yours faithfully,
By order of the Board
Golden Century International Holdings Group Limited
Pan Jibiao
Chairman

Hong Kong, 28 July 2020

Registered Office:
45th Floor, Tower 1,
Times Square,
1 Matheson Street,
Causeway Bay, Hong Kong

Notes:

(1) The resolutions put to vote at the Meeting will be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules (''**Listing Rules**'') Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ''**Stock Exchange**'') and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

(2) Any shareholder of the Company entitled to attend and vote at the Meeting (or any adjournment thereof) is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead in accordance with the articles of association of the Company. A proxy needs not be a shareholder of the Company.

(3) In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's share registrar, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable and in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding this Meeting or adjourned meeting (as the case may be). Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.

(4) In the case of joint holders of share(s) of the Company, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.

(5) For determining the entitlement to attend and vote at the above Meeting, the register of members of the Company will be closed from Friday, 14 August 2020 to Wednesday, 19 August 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 13 August 2020.

(6) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time between 9:00 a.m. and 3:00 noon on the date of the Meeting, the Meeting will be automatically postponed or adjourned. The Company will post an announcement on the Company's website (www.goldencenturyintl.com) and the Stock Exchange's website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting. The Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations.

(7) All references to times and dates in this notice are to Hong Kong times and dates.

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