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Golden Century International Holdings Group Limited

金禧國際控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 91)

(Warrant Code: 1807)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF MELTBLOWN FABRICS PRODUCTION LINES

Financial Adviser to the Company



Euto Capital Partners Limited

THE ACQUISITION

The Board is pleased to announce that on 1 September 2020 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Purchase Contract with the Vendor for the acquisition of an aggregate of ten (10) Production Lines.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 1 September 2020 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Purchase Contract with the Vendor for the Acquisition.

Set out below are the principal terms of the Purchase Contract.

THE PURCHASE CONTRACT

Date: 1 September 2020

Parties: (i) the Purchaser; and
(ii) the Vendor.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets acquired: An aggregate of ten (10) meltbrown fabrics production lines

Total Contract Price: RMB23,000,000 (with unit price of RMB2,300,000 for each Production Line), inclusive of value-added tax, which shall be paid by the Purchaser to the Vendor by way of cash in the following manner:

- (i) RMB5,750,000, being 25% of the Total Contract Price, shall be paid as deposit within 10 days after the date of the Purchase Contract;
- (ii) RMB17,250,000, being 75% of the Total Contact Price, shall be paid after delivery and installation of the Production Lines.

The Total Contract Price was determined after arm’s length negotiations between the Purchaser and the Vendor after considering the prevailing market price of the meltbrown fabrics production lines.

The Total Contract Price will be financed by the Company’s internal resources.

INFORMATION OF THE VENDOR

The Vendor is a company established in the PRC with limited liability. The principal business of the Vendor includes manufacturing and selling of medical machineries and hygiene products.

According to the public information, as at the date of this announcement, the ultimate beneficial owners of the Vendor are Ms. Xie Kai Hua and Ms. Lin Xiao Yun. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the announcement of the Company dated 29 May 2020, the Group intends to enter into a new business segment in manufacturing and selling medical devices and epidemic-prevention supplies and products. Such new business may include the production and sale of disposable face mask and the meltblown fabric which serves as the filtration layer in face mask.

Since the outbreak of the novel coronavirus disease (COVID-19) in early 2020, the Company noted that the global demand for personal protective gear and equipment has been increasing rapidly. Based on this, the Directors consider that the demand for meltblown fabrics, which serves as the filtration layer in face mask, has surged significantly.

The Directors believe that the commencement of the production of meltblown fabrics will diversify the variety of products of which the Group is capable to produce, which is expected to drive the sustainable business growth. It is expected that trial production will commence in the fourth quarter of 2020 in Hunan Province of the PRC.

Having considered the above, the Board is of the view that the Acquisition will be more favourable to the long-term business development of the Group and is in the best interest of the Company and its Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

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DEFINITIONS

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

“Acquisition”	the acquisition of the Production Lines pursuant to the terms and conditions of the Purchase Contract
“Board”	the board of Directors
“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
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Production Lines”	an aggregate of ten (10) meltbrown fabrics production lines sold by the Vendor and purchased by the Purchaser pursuant to the terms and conditions of the Purchase Contract
“Purchaser”	Hunan Shuo Hua Environmental and New Materials Limited Liability Company* (湖南碩華環保新材料有限責任公司), a company incorporated in the PRC and is an indirect wholly owned subsidiary of the Company as at the date of this announcement
“Purchase Contract”	the purchase contract dated 1 September 2020 entered into between the Purchaser and the Vendor in respect of the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Contract Price”	RMB23,000,000, inclusive of value-added tax, to be settled by the Purchaser pursuant to the terms and conditions of the Purchase Contract
“Vendor”	Hunan Sheng Hai New Materials Company Limited* (湖南晟海新材料有限公司), a company incorporated in the PRC and its ultimate beneficial owners are Ms. Xie Kai Hua and Ms. Lin Xiao Yun as at the date of this announcement
“%”	per cent.

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

Hong Kong, 1 September 2020

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.

* *For identification purposes only*