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China Golden Classic Group Limited

中國金典集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8281)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCT PROVIDED BY BANK OF CHINA

SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCT

The Board is pleased to announce that on 27 August 2020, the Subsidiary subscribed for the Structured Deposit Product provided by Bank of China for an aggregate principal amount of RMB20 million.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Subscription exceed 5% but are below 25%, the Subscription constitutes discloseable transaction of the Company and shall be subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

BACKGROUND

On 27 August 2020, the Subsidiary entered into a Structured Deposit Product Sales Agreement and Subscription Letter with the Bank of China (Jiangyin Branch) to subscribe for a principal-guaranteed structured deposit product with a floating annual interest income between 1.5% to 3.5% provided by Bank of China for an aggregate principal amount of RMB20 million.

THE PRINCIPAL TERMS OF THE STRUCTURED DEPOSIT PRODUCT

A summary of the principal terms of the Structured Deposit Product Sales Agreement and Subscription Letter is set out as follows:

Date	:	27 August 2020
Parties	:	(1) the Subsidiary; and (2) Bank of China (Jiangyin Branch)
Name of the product	:	Bank of China Linked Structured Deposit
Type of return	:	Principal-guaranteed with floating interest income
Principal amount	:	RMB20 million, funded by internal resources of the Group
Term	:	From 31 August 2020 to 1 December 2020 (92 days)
Interest income	:	If on every observation day the linked indicator has been less than the baseline value plus 0.0109, the product will receive at least 1.5% of annualized return after deducting product expenses (if any); If on any observation day the linked indicator is greater than or same as the baseline value plus 0.0109, the product will receive up to 3.5% of annualized return after deducting product expenses (if any)
Linked indicator	:	Spot exchange rate of Euro against US dollar
Observation period	:	31 August 2020 to 25 November 2020
Redemption date	:	1 December 2020 (with the principal and the interest)
Right of early redemption	:	Nil

REASONS AND BENEFITS OF SUBSCRIPTION OF THE STRUCTURED DEPOSIT PRODUCT

Using temporary idle funds reasonably and effectively will enhance the capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity and meet the capital needs of the Group's daily operations. After comparing quotes from different banks, the Directors noted that the interest income generated from the Structured Deposit Product is more lucrative than that of current deposit or term deposit. In addition, as the Structured Deposit Product is principal guaranteed, the Directors are of the view that the risk arising from the Structured Deposit Product undertaken by the Group is insignificant.

Therefore, the Directors consider that the terms and the transactions contemplated under the Structured Deposit Product Sales Agreement and Subscription Letter are fair and reasonable, on normal commercial terms, and are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Group is a daily household products producer in the PRC with a strategic business focus on the production and sales of functional toothpaste.

Bank of China is PRC's most international and diversified bank which provides a comprehensive range of corporate banking, personal banking, treasury operations, investment banking, insurance and other services to its customers. Bank of China Jiangyin Branch is a branch of Bank of China. To the best of the Directors' knowledge, information and belief having made all enquiries, Bank of China and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

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DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings:

“Bank of China”	Bank of China Limited, a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Stock Exchange (Stock Codes: 3988 and 4601 (Preference Shares)) and the Shanghai Stock Exchange (Stock Code: 601988)
“Board”	the board of directors of the Company
“Company”	China Golden Classic Group Limited
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of The Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit Product”	the principal-guaranteed and floating income structured deposit product with a principal amount of RMB20 million provided by Bank of China
“Subscription”	the subscription of the Structured Deposit Product made by the Subsidiary on 27 August 2020

“Subsidiary”	Jiangsu Snow Leopard Household Chemical Co. Limited* (江蘇雪豹日化有限公司), a wholly owned subsidiary of the Company
“%”	per cent

By order of the Board
China Golden Classic Group Limited
Li Qiuyan
Chairman

Hong Kong, 27 August 2020

As at the date of this announcement, the executive Directors are Ms. Li Qiuyan, Mr. Tong Xing and Ms. Du Yongwei; and the independent non-executive Directors are Mr. Ye Jingzhong, Mr. Tang Wai Yau and Mr. Pan Qingwei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the website of the Company at www.goldenclassicbio.com.

* English names are translated for identification purposes only