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GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

(1) MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF A LAND PARCEL IN HONG KONG;
(2) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO FORMATION OF JOINT VENTURE;
AND
(3) NOTICE OF SGM

Financial adviser to the Company



高銀融資有限公司

GOLDIN FINANCIAL LIMITED

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



Gram Capital Limited

嘉林資本有限公司

A letter from the Board of Goldin Financial Holdings Limited (the "Company") is set out on pages 4 to 15 of this circular. A letter from the Independent Board Committee of the Company is set out on page 16 of this circular. A letter from Gram Capital, the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders of the Company is set out on pages 17 to 31 of this circular.

A notice convening the SGM of the Company to be held at Victoria Room II, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Friday, 2 September 2016 at 3:00 p.m. is set out on pages 46 to 47 of this circular. A form of proxy for use at the SGM is also enclosed. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

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DEFINITIONS

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

“Acceptance Letter”	the letter of acceptance dated 2 March 2016 issued by the Lands Department of the HK Government to the Tenderer, confirming the acceptance of the Tender
“Acquisition”	the acquisition of the Land Parcel as contemplated under the Memorandum of Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Goldin Financial Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the premium for the Land Parcel
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Development”	the development of the Land Parcel by the erection thereon of a building or buildings for private residential purpose pursuant to the conditions of Tender
“Director(s)”	the director(s) of the Company
“Gold Faith”	Gold Faith Global Limited, being a wholly-owned subsidiary of the Company and one of the Parties to the JV Agreement
“Group”	the Company and its subsidiaries
“HK Government”	the Government of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the entering into of the JV Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the entering into of the JV Agreement and the transactions contemplated thereunder
“Independent Shareholders”	all Shareholders other than Mr. Pan and his associates
“JV Agreement”	the agreement dated 30 June 2016 entered into between Gold Faith and the JV Partner in relation to formation of the JV Company
“JV Company”	Gold Favour Investments Limited, being held as to 60% by Gold Faith and as to 40% by the JV Partner pursuant to the JV Agreement
“JV Partner”	Chariot Power Investments Limited, a company incorporated in the British Virgin Islands, one of the Parties to the JV Agreement
“Land Parcel”	the piece of land parcel known as Kowloon Inland Lot No. 11257, located at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong with a total site area of approximately 9,074 square metres
“Latest Practicable Date”	16 August 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement dated 30 March 2016 entered into between the Tenderer and the HK Government for the acquisition of the Land Parcel
“Mr. Pan”	Mr. Pan Sutong, being the Chairman of the Board, an executive Director and a controlling Shareholder, holding approximately 70.56% of the issued share capital of the Company as at the Latest Practicable Date

DEFINITIONS

“Party(ies)”	the party(ies) to the JV Agreement
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of approving the JV Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between the Parties pursuant to the JV Agreement, in connection with the ownership and development of the Land Parcel by the Tenderer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the tender bid for the acquisition of the Land Parcel
“Tender Deposit”	a non-refundable earnest money in the amount of HK\$25.00 million submitted by the Tenderer in respect of the Tender
“Tenderer”	Gold Topmont Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company which succeeded in the Tender
“Transaction”	the transfer of 40% equity interest in the JV Company by Gold Faith to the JV Partner
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

LETTER FROM THE BOARD



GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

Executive Directors:

Mr. Pan Sutong (*Chairman*)
Professor Huang Xiaojian
Mr. Zhou Xiaojun
Ms. Hou Qin

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Independent Non-executive Directors:

Ms. Hui Wai Man, Shirley
Mr. Tang Yiu Wing
Ms. Gao Min

Principal place of business in Hong Kong:

22/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

18 August 2016

To the Shareholders,

Dear Sir/Madam,

**(1) MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF A LAND PARCEL IN HONG KONG;
AND
(2) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO FORMATION OF JOINT VENTURE**

INTRODUCTION

References are made to (i) the announcements of the Company dated 2 March 2016 and 29 March 2016 in relation to the acceptance of the Tender for the Land Parcel submitted by the Tenderer and the settlement of the land premium and the signing and delivery of the Memorandum of Agreement to the HK Government for the acquisition of the Land Parcel; (ii) the announcements of the Company dated 20 April 2016, 31 May 2016 and 1 August 2016, respectively, in respect of the delay or further delay in despatch of circular; (iii) the announcement of the Company dated 30 June 2016 in respect of the Transaction; and (iv) the announcement of the Company dated 13 July 2016 in respect of the appointment of Gram Capital as the Independent Financial Adviser.

On 2 March 2016, the Tenderer, being an indirect wholly-owned subsidiary of the Company, received an Acceptance Letter issued by the Lands Administration Office of the Lands Department of the HK Government dated 2 March 2016 informing the Tenderer that the Tender submitted by the Tenderer for the Land Parcel has been successfully accepted by the HK Government at the Consideration of approximately HK\$6,381.22 million.

* *for identification purposes only*

LETTER FROM THE BOARD

On 11 March 2016, the Tenderer has signed and delivered the Memorandum of Agreement to the HK Government to process the acquisition of the Land Parcel. On 3 May 2016, the Tenderer received the Memorandum of Agreement dated 30 March 2016 signed by the HK Government.

On 30 June 2016, Gold Faith, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partner for the formation of the JV Company and to set out terms for, among others, the ownership, funding and management in the JV Company as well as their respective rights and obligations in relation to the development of the Land Parcel through the JV Company on a joint-venture basis.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further details of the Acquisition; (ii) further details on the terms of the JV Agreement; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the JV Agreement and the transactions contemplated thereunder; (iv) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; (v) a valuation report in respect of the Land Parcel; (vi) a notice of the SGM; and (vii) other information as required under the Listing Rules.

THE MEMORANDUM OF AGREEMENT

Date : 30 March 2016

Parties : (1) Gold Topmont Limited, an indirect wholly-owned subsidiary of the Company
(2) the HK Government

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, the HK Government is a third party independent of the Company and its connected persons.

Assets to be acquired

The Land Parcel covers a total site area of approximately 9,074 square metres located at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong. The land use of the Land Parcel is specifically designated for private residential purpose. The minimum and maximum developable gross floor area of the Land Parcel is 32,667 square metres and 54,444 square metres, respectively. The Tender consists of the grant of the Land Parcel for a term of fifty years commencing from the date of the Memorandum of Agreement, being 30 March 2016. Pursuant to the Memorandum of Agreement, the Tenderer shall develop the Land Parcel into building or buildings which shall be completed and made fit for occupation on or before 31 December 2021.

As at the Latest Practicable Date, the Company has yet to formulate a concrete plan for the development on the Land Parcel. The Company is currently conducting an environmental impact assessment report in respect of the Development in accordance with relevant laws and regulations in Hong Kong. The Company is also at the stage of preparing tenders to engage professional parties and consultants for the preparation of construction plans of the Development. It is expected that the Development will commence by end of 2016 and the expected completion time for the Development will be on or before 31 December 2021.

LETTER FROM THE BOARD

Consideration and payment terms

The Consideration of approximately HK\$6,381.22 million for the acquisition of the Land Parcel shall be settled in the following manner:

- (i) as to the non-refundable Tender Deposit of HK\$25.00 million which was paid together with the submission of the Tender by the Tenderer, has been treated as a deposit towards and applied in partial payment of the Consideration; and
- (ii) as to the remaining balance of approximately HK\$6,356.22 million shall be paid in one lump sum to the HK Government within twenty-eight days from the date of the Acceptance Letter.

On 29 March 2016, the Tenderer has paid the remaining balance of the Consideration of approximately HK\$6,356.22 million to the HK Government. Pursuant to the Memorandum of Agreement, the Tenderer has obtained possession of the Land Parcel from the HK Government after payment of the remaining balance of the Consideration.

The Consideration, being the bid price submitted under the Tender with reference to the Directors' view on the property market in Hong Kong, was determined by way of public tendering. Pursuant to the Memorandum of Agreement, the Tenderer agrees to become the lessee of the Land Parcel and an annual rent of an amount equal to 3% of the rateable value from time to time of the Land Parcel should be charged to the Tenderer for a term of fifty years commencing from the date of the Memorandum of Agreement.

To facilitate the development of the Land Parcel, the Company, through its wholly-owned subsidiary, entered into the JV Agreement with the JV Partner for formation of the JV Company, to develop the Land Parcel on a joint-venture basis. Details of the JV Agreement are set out below.

THE JV AGREEMENT

Date : 30 June 2016

Parties : (1) Gold Faith, a wholly-owned subsidiary of the Company
(2) JV Partner

As at the Latest Practicable Date, the JV Partner is a company wholly-owned by Mr. Pan, who is the Chairman of the Board, an executive Director and the controlling Shareholder, and therefore a connected person of the Company. The JV Partner is a company incorporated in the British Virgin Islands and is a special purpose vehicle incorporated for the Transaction.

Before the entering into of the JV Agreement, the JV Company is held as to 100% by Gold Faith. Pursuant to the JV Agreement, Gold Faith shall transfer 40% equity interest in the JV Company to the JV Partner such that the JV Company shall be held as to 60% by Gold Faith and as to 40% by the JV Partner.

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The JV Company currently holds the entire equity interest of the Tenderer. Pursuant to the JV Agreement, the Parties conditionally agreed that the Tenderer shall become a special purpose vehicle of the JV Company with the sole business to develop the Land Parcel into residential properties for sale through the Tenderer. Upon the JV Agreement becoming unconditional, the JV Partner, through its own financial resources, shall do and perform such act to assume relevant liability in respect of its contributions to the premium for the Land Parcel, according to its respective shareholding proportion in the JV Company.

Consideration

The JV Partner shall pay to the Company a nominal consideration of US\$4.0 in cash, which represents the nominal value of four shares in the JV Company with nominal value of US\$1.0 each, for obtaining the 40% equity interest in the JV Company. Pursuant to the JV Agreement, the JV Partner shall assume relevant liabilities in consideration for the obtaining of 40% equity interest in the JV Company. Having considered that the JV Partner will take up the liabilities in proportion to its shareholding interest in the JV Company, thereby lowering the total liabilities of the Group by an approximate amount of 40% of the premium for the Land Parcel paid by the Group, the Board is of the view that the nominal consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Conditions precedent

The rights and obligations of the Parties under the JV Agreement is conditional on all necessary consents and approvals in relation to the transactions contemplated under the JV Agreement having been obtained by the Company, including, if necessary, the passing of ordinary resolution(s) by the Independent Shareholders at the SGM.

Shareholders' Agreement

Upon the signing of the JV Agreement, the Parties shall as soon as practicable enter into or procure their respective affiliates to enter into a shareholders' agreement of the JV Company in connection with the ownership and development of the Land Parcel by the Tenderer and to regulate the rights and obligations of the Parties or their respective affiliates inter se as shareholders of the JV Company and the Parties shall do all acts, deeds or things and execute all documents as may be necessary, desirable or expedient.

The Shareholders' Agreement shall provide, inter alia, that:

- (i) the Tenderer's sole business shall be the holding of the Land Parcel and undertaking of the Development;
- (ii) the directors of the Tenderer shall be appointed by the Parties in the shareholding proportions in the JV Company;

LETTER FROM THE BOARD

- (iii) the Parties shall, either directly or through their respective holding companies or ultimate holding companies, contribute equity and/or other financial support (including additional equity, shareholders' loans and/or guarantees) to the Tenderer in their respective shareholding proportions in the JV Company; and
- (iv) the Company or any of its affiliates shall be appointed as follows at such fees and on such terms to be mutually agreed between the Parties:
 - (1) project manager for the Development to manage the day-to-day operations and business of the Tenderer and to provide project management services to the Tenderer (the "**Project Manager**"); and
 - (2) accounting and administration agent to provide accounting and administrative services for the Development from the date of the Shareholders' Agreement until the liquidation of the Tenderer (the "**Agent**").

Details of the proposed principal terms of the Shareholders' Agreement and the principal rights and responsibilities of the Parties are set out as below.

Board composition

The Shareholders' Agreement shall provide that the board of the JV Company shall consist of not more than five directors to the intent that each of Gold Faith and the JV Partner shall have the right to appoint one director for each twenty percent (but not part thereof) of the issued share capital of the JV Company owned by each of them and to remove the director appointed by each of them.

Profit distribution

The Shareholders' Agreement shall provide that all profits of the JV Company and/or the Tenderer shown in its audited accounts for any financial year to be available for distribution by way of dividend shall, subject to (i) payment of any instalments of principal due and any outstanding interests on external borrowings of the JV Company and/or the Tenderer and the terms and conditions of such borrowings; (ii) full repayment of shareholders' loans and any outstanding interests thereon; and (iii) the determination of the board of the JV Company in relation to working capital requirements of the JV Company and/or the Tenderer, be paid out to the Parties by way of dividend pro rata to their respective holdings in the JV Company at the material time.

Appointments

The Tender shall appoint the Project Manager and the Agent and reimburse the Project Manager and the Agent with all costs and expenses actually incurred by the Project Manager and the Agent respectively on behalf of the Tenderer in connection with the Development which are agreed by the Tenderer in advance as reimbursements in addition to the lump sum fees payable upon signing of the project management agreement and the service agreement and fixed monthly fees.

LETTER FROM THE BOARD

The Parties shall procure the directors of the JV Company to make reference to the prevailing market rate to determine the lump sum fees and monthly fees payable to each of the Project Manager and the Agent to ensure those fees offered are competitive and in line with the market.

Financing of the JV Company

The Parties shall, if called upon by the JV Company to do so, finance the business of the JV Company and/or the Tenderer in their respective shareholding proportion in the JV Company. The Parties will be called upon by the board of the JV Company at the same time. The amounts necessary for the JV Company and/or the Tenderer to develop the Land Parcel include but not limited to (i) the payment of the premium for the Land Parcel; (ii) all costs in connection with the Development including, inter alia, the costs of foundations, substructure, superstructure, building services and finishes, fees for all professional consultants, all license fees, duties and other incidental charges, other normal property development costs; (iii) other funding costs including but not limited to interests accrued on external borrowings of the JV Company and/or the Tenderer and/or shareholders' loan incurred in connection with the Acquisition and the development of the Land Parcel; and (iv) all costs and expenses incurred or to be incurred prior to and during the winding up of the JV Company and the Tenderer by means of additional equity or shareholders' loans as shall be determined by the board of the JV Company or by such other means as may be agreed by the Parties. The aggregate amount of each call for financing from the Parties shall be reasonably determined by the board of the JV Company from time to time and the amount so determined shall be paid or advanced by the Parties to the JV Company in accordance to their respective shareholding interest in the JV Company, within three days after the date of the call or demand letter issued by the JV Company. It is expected that the Parties shall provide their corresponding portion of funds by means of additional equity or shareholders' loans in cash.

Event of default

Among other events of default, if any Party (the "**Defaulting Shareholder**") shall have failed to provide its portion of the financing to the JV Company (the "**Relevant Amount**") within seven (7) days upon required in writing so to do by the board of the JV Company, the non-defaulting Party may, in addition to its portion, make a shareholder's loan to the JV Company and/or the Tenderer in the Relevant Amount (the "**Relevant Loan**") (Details please refer to the below section headed "**Provision of Relevant Loan**"). Further, the non-defaulting Party shall have the right (the "**Buy-out Right**") to acquire the shareholding interest in the JV Company ("**JV Shares**") held by the Defaulting Shareholder and the then outstanding shareholder's loan owed by JV Company to the Defaulting Shareholder (the "**Shareholder's Loan**") (together with any outstanding interest accrued on such Shareholder's Loan) (such JV Shares and Shareholder's Loan (together with any outstanding interest thereon) are hereinafter collectively referred to as the "**Defaulter's Stake**"), at a price which shall be the lower of (i) 90% of the net value of the Defaulter's Stake in the JV Company's and the Tenderer's books or (ii) 90% of the market value of the Defaulter's Stake, in both cases determined by reference to the date of the first request made in respect of the triggering of the Buy-out Right. A qualified independent valuer will be engaged by the JV Company to measure the fair value of the

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Land Parcel and all real properties erected thereon (if any) owned by the JV Company and the Tenderer to ensure fair determination of the market value of the Defaulter's Stake at the time of such execution of the Buy-out Right.

Upon the acquisition of the JV Shares as a result of the buy-out, the Defaulting Shareholder shall cease to have any interest (direct, indirect, beneficial or otherwise) in the JV Company and the Tenderer upon which the non-defaulting Party shall have the right to terminate the Shareholders' Agreement.

Provision of Relevant Loan

In view of the financial capabilities of the JV Partner and its interest in the Company as described in the section headed "**Reasons for and benefits of the Acquisition and the Transaction**" below, the Company is of the view that the JV Partner is unlikely to default. Nevertheless, the Relevant Loan shall be a debt owing by the JV Company and/or the Tenderer to the other Party making the same and the Defaulting Shareholder shall be liable:

- (a) to compensate the Party making the Relevant Loan for its or their funding costs in respect of the Relevant Loan or any outstanding part thereof at the rate of 5% above the prime rate, being the best lending rate in respect of Hong Kong dollar loans from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited, which will be accrued from the date of the provision of the Relevant Loan until the Relevant Loan is repaid in full by the JV Company and/or the Tenderer;
- (b) to pay to the Party making the Relevant Loan within 6 months of a demand notice to be served by the non-defaulting Party a sum equal to the outstanding amount of the Relevant Loan (including any outstanding interest accrued thereon) in consideration of the transfer to such Defaulting Shareholder of the Relevant Loan (including any outstanding interest accrued thereon) by the Party making the Relevant Loan whereupon the outstanding amount of the Relevant Loan shall become and be treated as shareholder's loan made by the Defaulting Shareholder to the JV Company and/or the Tenderer and any outstanding interest accrued thereon shall become and be treated as owing from the JV Company and/or the Tenderer to the Defaulting Shareholder; and
- (c) to fully indemnify the Party making the Relevant Loan against any loss or damages suffered in connection with its making of the Relevant Loan.

The Shareholders' Agreement provides that the non-defaulting Party shall call for repayment of the Relevant Loan (including any outstanding interest accrued thereon) within 6 months after the provision of the Relevant Loan. If the Defaulting Shareholder fails to repay the outstanding amount of the Relevant Loan within 6 months of the demand notice served by the non-defaulting Party, the interest rate accrued on the Relevant Loan payable by the Defaulting Shareholder will be adjusted based on the higher of (i) the rate of 5% on top of the prime rate; or (ii) the effective annual return of the Development upon completion. The non-defaulting Party shall have the right to inject capital for settling this

LETTER FROM THE BOARD

outstanding loan on behalf of the Defaulting Shareholder as well as to acquire all the shareholding interest held by the Defaulting Shareholder in the JV Company upon which the non-defaulting Party shall have the right to terminate the Shareholders' Agreement (the "**Termination Right**").

The Company will seek funding arrangement for the Relevant Loan by debt and/or equity financing and/or other finance arrangements as the Company might deem appropriate. Taking into account that upon formation of the JV Company, the JV Company will be able to provide the corporate guarantee by the Company and also the personal guarantee by Mr. Pan, who wholly owns the JV Partner, for security for repayment of external loans borrowed from the banks for the financing of the JV Company, it is the Company's intention to provide the Shareholder's Loan, if arised, instead of termination of the Shareholders' Agreement, such that the original purpose of the joint venture formation to share between the Parties the liabilities and financial risk arising from external borrowings is sustained.

In respect of the provision of the Relevant Loan which would constitute financial assistance from/to a connected person, the Company will comply with relevant requirement under Chapter 14A of the Listing Rules as and when appropriate.

Upon the triggering of event of default by the JV Partner, if any, the Directors, together with the independent non-executive Directors of the Company will take into account, among other factors, (i) the then existing debt arrangement established with the respective banks; (ii) the cost needed to acquire the Defaulter's Stake; (iii) the amount of development cost already incurred in the Development as well as the construction progress of the Development; and (iv) the on-going commitment and performance under the Shareholders' Agreement of the Parties, in considering whether to provide the Relevant Loan and/or to execute the Buy-out Right and/or the Termination Right, where applicable, after reviewing the aforesaid relevant information.

Taking into account the recommendation from the independent non-executive Directors of the Company and after assessing the aforesaid factors, the Company will make a decision by calling a meeting of the Board, whereupon Mr. Pan shall abstain from voting at such meeting given his interest in the Shareholders' Agreement, as to whether to provide the Relevant Loan and/or to execute the Buy-out Right and/or the Termination Right in the event of default by the JV Partner, if any, in order to ensure such decision is in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE JV COMPANY

The JV Company is an investment holding company incorporated in the British Virgin Islands. Prior to the entering into of the JV Agreement, the JV Company is an indirect wholly-owned subsidiary of the Company which in turn wholly owns the Tenderer. As at the Latest Practicable Date, the Tenderer is principally engaged in the development of the Land Parcel.

LETTER FROM THE BOARD

Based on the unaudited consolidated financial information of the JV Company since its incorporation on 4 January 2016 prepared in accordance with the Hong Kong Financial Reporting Standards, the unaudited net liabilities of the JV Company as at 31 March 2016 was approximately HK\$16,000 and the unaudited consolidated net loss before and after tax were as follows:

	For the period since incorporation of the JV Company (HK\$'000)
Net loss before taxation and extraordinary items	16
Net loss after taxation and extraordinary items	16

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE TRANSACTION

The Group is principally engaged in (i) the provision of factoring services; (ii) financial investments; (iii) winery and wine related business; and (iv) property development and investment business.

With reference to the published interim report of the Company for the six months ended 31 December 2015, it is the Group's intention to seek and to expand its real estate portfolio into the luxury residential property sector. According to the statistics issued by the Rating and Valuation Department of Hong Kong, the price indices for Hong Kong domestic property market show an overall increasing trend in recent years, demonstrating a growing demand for residential property. Considering the recent growing population and the booming property market in Hong Kong, the Directors believe that the residential property industry is an attractive area for investment to provide long-term return for the Group. In this connection, the Group has identified the Land Parcel which will be planned and developed into private residential properties for sale. The Land Parcel is located at the traditional luxurious residential area in Ho Man Tin surrounded by newly built luxury residential buildings constructed by leading property developers in Hong Kong. The Board considers that the Acquisition is in the Group's ordinary and usual course of business and is in line with the business strategy of the Group and would enhance the Group's property development business, thereby increasing the Shareholders' value.

Upon formation of the JV Company, the Tenderer is expected to become a special purpose vehicle of the JV Company for the sole purpose to develop the Land Parcel. Pursuant to the Shareholders' Agreement, it is the obligations of the Parties to provide financing to the JV Company in accordance with each of their respective shareholding interest in the JV Company when called upon by the board of the JV Company. The Company will ensure effective internal control measures to monitor and ensure that, among other things, (i) both Parties will be called upon for financing at the same time and both of which have the obligation to make their respective contributions within three days from the date of the demand notice, and (ii) provide guarantee or other security such as pledge of assets, as shall be required in respect of external borrowings by the JV Company and/or the Tenderer in proportion to their respective interest in the JV Company on the same terms such that any decision made by the board of the JV Company in relation to the

LETTER FROM THE BOARD

terms and arrangements under the Shareholders' Agreement will be made in a fair and independent manner. The development costs arising from the Land Parcel could be shared between the Parties in accordance with the proportion of their respective equity interest in the JV Company which would lower the capital commitment required on the part of the Company for the Development, as well as the liabilities held or to be created by the Group. The Directors consider that formation of the JV Company would facilitate the JV Company to obtain external borrowings from relevant banks since the JV Partner will provide security for the respective loan including but not limited to, personal guarantee and pledge of assets in the relevant proportion. As such, the JV Partner will take up its relevant liabilities of the outstanding amount of bank borrowings and lower the liabilities to be carried by the Company. Further, in view of that the JV Partner is wholly-owned by Mr. Pan, who was ranked among the top ten of the richest people in Hong Kong based on individual net worth according to the Hong Kong's 50 Richest People as published in 2016 by Forbes, a financial magazine well-known for its lists and rankings, signifying the strong financial capabilities of the JV Partner, it is expected that the Tenderer could secure sufficient resources and financial support from the Parties through the JV Company for the construction of buildings and properties on the Land Parcel, as well as to diversify financial exposure of the Group. The formation of the JV Company also allows the Company to conserve more financial resource for utilization in other business operations of the Group. Considering the strong financial capability of the JV Partner and the interest of Mr. Pan as a controlling Shareholder of the Company, the Directors are of the view that the JV Partner will perform its duties accordingly especially its obligation to finance the JV Company when being called upon to do so. By entering into the JV Agreement and the Shareholders' Agreement to be entered into by the Parties, the Parties are bound by their respective obligations to, among others, finance the JV Company and accordingly to develop the Land Parcel to completion.

The Company has considered alternative methods such as debt and equity financing to obtain necessary funds for the Development. Debt financing would incur a higher finance cost as the Group will have to bear the liabilities for the entire loan principal while equity financing is relatively procedural and time-consuming as compared to forming a joint venture. In light of the above, the Company has decided to form the JV Company with the JV Partner. In the event that the joint venture arrangement cannot be proceeded, it is expected that the Company will finance the Development through debt and/or equity financing or by internal resources. The Company has not considered forming the JV Company with other parties at the initial stage having considered that the length of commitment is significantly long during the course of the Development and there will be potential risk for the Company to form a joint venture with an independent third party whom the Company does not have prior business relationship with and the Company is also mindful to the sharing of confidential information to a third party during the negotiation process. Given that the JV Partner is wholly-owned by Mr. Pan who is the controlling Shareholder of the Company, Mr. Pan is therefore committed to develop the Land Parcel to completion given his interest in the Company. Therefore, the Directors consider that forming the JV Company with Mr. Pan is more in the interest of the Company and its Shareholders than forming the JV Company with an independent third party. The entering into of the JV Agreement would facilitate the development of the Land Parcel and would enable the Group to maintain the potential profit upon completion of the Development while lowering the capital commitment required on the part of the Company for the Development.

LETTER FROM THE BOARD

Based on the aforementioned, the Directors consider that the terms of the Memorandum of Agreement and the JV Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION AND THE TRANSACTION

Upon completion of the Acquisition as contemplated under the Memorandum of Agreement, the total assets of the Group is expected to increase due to the acquisition of the Land Parcel, while the total liabilities of the Group is expected to increase due to financing for the land premium of the Land Parcel.

Upon completion of the Transaction, it is agreed that the JV Partner will take up relevant liabilities of the JV Company in accordance with its equity interest in the JV Company. The JV Company will become an indirect non wholly-owned subsidiary of the Company and its financial results will continue to be consolidated into the financial statements of the Company.

Given that the Land Parcel has yet to develop, it is expected that the Acquisition will not have any immediate material impact on the earnings of the Group. The Company expects that after taking into account the expenses directly related to the Transaction, there will not be any significant gain/loss recorded as a result of the Transaction. The actual financial effects may differ and are subject to audit.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios in respect of the Acquisition exceeds 25% but less than 100%, for the purposes of Rule 14.07 of the Listing Rules, the Acquisition constituted a major transaction for the Company under the Listing Rules. The Acquisition is regarded as a qualified property acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of land in Hong Kong from the HK Government through a public tender. The Board confirms that the Acquisition is in the Group's ordinary and usual course of business. Accordingly, the Acquisition is subject to reporting and announcement requirements but is exempt from Shareholders' approval requirement provided that all the conditions as referred to in Rule 14.33A of the Listing Rules are satisfied.

As one of the applicable percentage ratios in respect of the Transaction and the formation of the JV Company exceed 5% but all are less than 25%, the entering into of the JV Agreement constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, the JV Partner is held as to 100% by Mr. Pan, being the Chairman of the Board, an executive Director and a controlling Shareholder. The JV Partner is therefore a connected person of the Company under the Listing Rules and the entering into of the JV Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules and accordingly, is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

LETTER FROM THE BOARD

Given that Mr. Pan is a connected person of the Company and has a material interest in respect of the JV Agreement, Mr. Pan has abstained from voting at the meeting of the Board for approving the JV Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, Mr. Pan and his associates, which together hold 4,932,096,634 Shares, representing approximately 70.56% of the issued share capital of the Company, will abstain from voting at the SGM for approving the JV Agreement and the transactions contemplated thereunder.

SGM

The SGM will be held for the Independent Shareholders to consider and, if thought fit, to approve the JV Agreement and the transactions contemplated thereunder.

A notice convening the SGM to be held at Victoria Room II, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Friday, 2 September 2016 at 3:00 p.m. is set out on pages 46 to 47 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

The ordinary resolution to approve the JV Agreement and the transactions contemplated thereunder at the SGM will be taken by poll and an announcement on the results of the SGM will be made by the Company after the SGM.

RECOMMENDATION

Based on the reasons set out in the section headed "Reasons for and benefits of the Acquisition and the Transaction" above, the Directors consider that the terms of the JV Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on page 16 of this circular, the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders set out on pages 17 to 31 of this circular, and the information set out in the appendices to this circular.

By order of the Board
Goldin Financial Holdings Limited
Pan Sutong
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the JV Agreement.



GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

18 August 2016

To the Independent Shareholders,

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO FORMATION OF JOINT VENTURE

We have been appointed as members of the Independent Board Committee to advise you in respect of the JV Agreement, details of which are set out in the "Letter from the Board" contained in the circular of the Company dated 18 August 2016 to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

Your attention is drawn to the letter from Gram Capital set out on pages 17 to 31 of the Circular, containing its advice to us and the Independent Shareholders on whether or not the terms of the JV Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Your attention is also drawn to the letter from the Board set out on pages 4 to 15 of the Circular and the additional information set out in the appendices to the Circular.

Having considered the advice and recommendation of Gram Capital, we consider that the JV Agreement and the transactions contemplated under the JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the JV Agreement and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee
Hui Wai Man, Shirley
Tang Yiu Wing
Independent non-executive Directors

Gao Min

* for identification purposes only

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the JV Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

18 August 2016

To: The independent board committee and the independent shareholders of Goldin Financial Holdings Limited

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO FORMATION OF JOINT VENTURE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the JV Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 18 August 2016 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 30 June 2016, Gold Faith, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partner for the formation of the JV Company and to set out terms for, among others, the ownership, funding and management in the JV Company as well as their respective rights and obligations in relation to the development of the Land Parcel through the JV Company on a joint-venture basis. Before the entering into of the JV Agreement, the JV Company is held as to 100% by Gold Faith. Pursuant to the JV Agreement, Gold Faith shall transfer 40% equity interest in the JV Company to the JV Partner such that the JV Company shall be held as to 60% by Gold Faith and as to 40% by the JV Partner respectively.

The Independent Board Committee comprising Ms. Hui Wai Man, Shirley, Mr. Tang Yiu Wing and Ms. Gao Min (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the JV Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the JV Agreement and transactions contemplated thereunder at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM GRAM CAPITAL

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/ arrangements or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Gold Faith, JV Partner, JV Company or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

A. Background of and reasons for entering into of the JV Agreement

Business overview of the Group

With reference to the Board Letter, the Group is principally engaged in (i) the provision of factoring services; (ii) financial investments; (iii) winery and wine related business; and (iv) property development and investment business.

Set out below are the financial information of the Group for the six months ended 31 December 2015 and each of the two years ended 30 June 2015 as extracted from the Company's interim report for the six months ended 31 December 2015 (the "2015/16 Interim Report") and the Company's annual report for the year ended 30 June 2015 (the "2014/15 Annual Report"), respectively:

	For the six months ended 31 December 2015 <i>HK\$'000</i> <i>(unaudited)</i>	For the year ended 30 June 2015 <i>HK\$'000</i> <i>(audited)</i>	For the year ended 30 June 2014 <i>HK\$'000</i> <i>(audited)</i>	Year on year change %
Revenue	291,910	573,776	401,526	42.90
Profit for the period/year	493,010	2,015,010	1,120,110	79.89
	As at 31 December 2015 <i>HK\$'000</i> <i>(unaudited)</i>	As at 30 June 2015 <i>HK\$'000</i> <i>(audited)</i>	As at 30 June 2014 <i>HK\$'000</i> <i>(audited)</i>	Year on year change %
Cash and bank balances	35,354	52,277	678,424	(92.29)
Total equity	13,501,204	13,153,746	11,032,160	19.23

We noted from the above table that the Group's revenue has substantially increased by approximately 42.90% from approximately HK\$401.53 million for the year ended 30 June 2014 ("FY2014") to approximately HK\$573.78 million for the year ended 30 June 2015 ("FY2015"). With reference to the 2014/15 Annual Report, the increase of revenue over the previous year was mainly due to the increased revenues generated by the Group's factoring and wine trading operations.

LETTER FROM GRAM CAPITAL

The Group also recorded a substantial increase in profit of approximately 79.89% from approximately HK\$1,120.11 million in FY2014 to approximately HK\$2,015.01 million in FY2015. With reference to the 2014/15 Annual Report, the increase in profit for FY2015 was mainly due to a substantial increase in the fair value recorded for the Company's investment property under development, the Goldin Financial Global Centre, compared with that for last year, as well as the increase in income generated by the Group's factoring business.

As set out in the above table, as at 31 December 2015, the Group recorded cash and bank balances and total equity of approximately HK\$35.35 million and approximately HK\$13,501.20 million respectively.

Information of the JV Partner

The JV Partner is a company incorporated in the British Virgin Islands and is a special purpose vehicle incorporated for the Transaction. As at the Latest Practicable Date, the JV Partner is a company wholly-owned by Mr. Pan, who is the Chairman of the Board, an executive Director and the controlling Shareholder.

Information of the JV Company

Principal business of the JV Company

The JV Company is an investment holding company incorporated in the British Virgin Islands. Prior to the entering into of the JV Agreement, the JV Company is an indirect wholly-owned subsidiary of the Company. The JV Company holds the entire equity interest of the Tenderer, which has settled the premium for the Land Parcel and has obtained possession of the Land Parcel from the HK Government.

As at the Latest Practicable Date, the Tenderer is principally engaged in the development of the Land Parcel.

LETTER FROM GRAM CAPITAL

Financial information on the JV Company

Based on the unaudited consolidated financial information of the JV Company since its incorporation on 4 January 2016 prepared in accordance with the Hong Kong Financial Reporting Standards, the unaudited net liabilities of the JV Company as at 31 March 2016 was approximately HK\$16,000 and the unaudited consolidated net loss before and after tax were as follows:

	For the period since incorporation of the JV Company HK\$'000
Net loss before taxation and extraordinary items	16
Net loss after taxation and extraordinary items	16

As advised by the Directors, as at the Latest Practicable Date, the total assets of the JV Company mainly constituted the Land Parcel, while the total liabilities mainly constituted loan payables.

Information on the Land Parcel

The Land Parcel covers a total site area of approximately 9,074 square metres located at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong. The land use of the Land Parcel is specifically designated for private residential purpose. The minimum and maximum developable gross floor area of the Land Parcel is 32,667 square metres and 54,444 square metres, respectively.

With reference to the Board Letter, the Group has identified the Land Parcel which will be planned and developed into private residential properties for sale.

Reasons for and benefits of the Transaction

With reference to the Board Letter, upon formation of the JV Company, the Tenderer is expected to become a special purpose vehicle of the JV Company for the sole purpose to develop the Land Parcel. Pursuant to the Shareholders' Agreement, it is the obligations of the Parties to provide financing to the JV Company in accordance with each of their respective shareholding interest in the JV Company when called upon by the board of the JV Company. The Company will ensure effective internal control measures to monitor and ensure that, among other things, (i) both Parties will be called upon for financing at the same time and both of which have the obligation to make their respective contributions within three days from the date of the demand notice, and (ii) provide guarantee or other security such as pledge of assets, as shall be required in respect of external borrowings by the JV Company and/or the Tenderer in proportion to their respective interest in the

LETTER FROM GRAM CAPITAL

JV Company on the same terms such that any decision made by the board of the JV Company in relation to the terms and arrangements under the Shareholders' Agreement will be made in a fair and independent manner. The development costs arising from the Land Parcel could be shared between the Parties in accordance with the proportion of their respective equity interest in the JV Company which would lower the capital commitment required on the part of the Company for the Development, as well as the liabilities held or to be created by the Group. The Directors consider that formation of the JV Company would facilitate the JV Company to obtain external borrowings from relevant banks since the JV Partner will provide security for the respective loan including but not limited to, personal guarantee and pledge of assets in the relevant proportion. As such, the JV Partner will take up its relevant liabilities of the outstanding amount of bank borrowings and lower the liabilities to be carried by the Company. Further, in view of that the JV Partner is wholly-owned by Mr. Pan, who was ranked among the top ten of the richest people in Hong Kong based on individual net worth according to the Hong Kong's 50 Richest People as published in 2016 by Forbes, a financial magazine well-known for its lists and rankings, signifying the strong financial capabilities of the JV Partner, it is expected that the Tenderer could secure sufficient resources and financial support from the Parties through the JV Company for the construction of buildings and properties on the Land Parcel, as well as to diversify financial exposure of the Group.

Furthermore, we noted that as at the Latest Practicable Date, Mr. Pan was the controlling Shareholder of both the Company and Goldin Properties Holdings Limited (stock code: 283).

Having considered that (i) Hong Kong's 50 Richest People as published in 2016 by Forbes; and (ii) Mr. Pan was the controlling Shareholder of both the Company and Goldin Properties Holdings Limited (stock code: 283), (a) we have no doubt on the financial capabilities of the JV Partner, which was wholly owned by Mr. Pan as at the Latest Practicable Date; and (b) there was no circumstances which caused us to doubt the possibility of the JV Partner not performing its duties under the Shareholders' Agreement, especially its obligation to finance the JV Company when being called upon to do so.

In addition, with reference to the Board Letter, the formation of the JV Company also allows the Company to conserve more financial resources for utilization in other business operations of the Group. The Company has considered alternative methods such as debt and equity financing to obtain necessary funds for the Development. Debt financing would incur a higher finance cost as the Group will have to bear the liabilities for the entire loan principal while equity financing is relatively procedural and time-consuming as compared to forming a joint venture. In light of the above, the Company has decided to form the JV Company with the JV Partner. In the event that the joint venture arrangement cannot be proceeded, it is expected that the Company will finance the Development through debt and/or equity financing or by internal resources. The Company has not considered forming the JV Company with other parties at the initial stage having considered that the length of commitment is significantly long during the course of the Development and there will be potential risk for the Company to form a joint venture with an

LETTER FROM GRAM CAPITAL

independent third party whom the Company does not have prior business relationship with and the Company is also mindful to the sharing of confidential information to a third party.

Given that the JV Partner is wholly owned by Mr. Pan who is the controlling Shareholder of the Company, Mr. Pan is therefore committed to develop the Land Parcel to completion given his interest in the Company. Therefore, the Directors consider that forming the JV Company with Mr. Pan is more in the interest of the Company and its Shareholders than forming the JV Company with an independent third party.

With reference to the 2014/15 Annual Report, Mr. Pan is a director of certain subsidiaries of the Company. He is responsible for the overall strategic planning of the Group. He has accumulated extensive experience in trading, finance and property development.

Having also considered that (i) Mr. Pan's position and duties in the Group; and (ii) Mr. Pan's experience in property development, we concur with the Directors that forming the JV Company with Mr. Pan is more in the interest of the Company and Shareholders than forming the JV Company with an independent third party.

The entering into of the JV Agreement would facilitate the development of the Land Parcel and would enable the Group to maintain the potential profit upon completion of the Development while lowering the capital commitment required on the part of the Company for the Development.

In light of that (i) the development of the Land Parcel will further incur significant amounts of construction and development costs to the Group; (ii) the Tenderer could obtain sufficient resources and financial support from the Parties through the JV Company for the construction of buildings and properties on the Land Parcel; (iii) the development costs arising from the Land Parcel could be shared between the Parties in accordance with the proportion of their respective equity interest in the JV Company thereby lowering the commitment for the Company to develop the Land Parcel and also lowers the liabilities held or to be created by the Group; (iv) the JV Partner will take up its relevant liabilities of the outstanding amount of bank borrowings and lower the liabilities to be carried by the Company; (v) the financial capabilities of the JV Partner, which is wholly owned by Mr. Pan; (vi) forming the JV Company with Mr. Pan is more in the interest of the Company than alternative financing; (vii) the financial exposure of the Group during the construction and development of the Land Parcel would be diversified as a result of the Transaction; and (viii) the Group will ensure effective internal control measures to monitor and ensure the terms and arrangements under the Shareholders' Agreement will be made in a fair and reasonable manner, we concur with the Directors that the Transaction is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM GRAM CAPITAL

B. Principal terms of the JV Agreement

Date

30 June 2016

Parties

- (1) Gold Faith; and
- (2) JV Partner

The JV Company currently holds the entire equity interest of the Tenderer. Pursuant to the JV Agreement, the Parties conditionally agreed that the Tenderer shall become a special purpose vehicle of the JV Company with the sole business to develop the Land Parcel into residential properties for sale through the Tenderer. Upon the JV Agreement becoming unconditional, the JV Partner, through its own financial resources, shall do and perform such act to assume relevant liability in respect of its contributions to the premium for the Land Parcel, according to its respective shareholding proportion in the JV Company.

Before the entering into of the JV Agreement, the JV Company is held as to 100% by Gold Faith. Pursuant to the JV Agreement, Gold Faith shall transfer 40% equity interest in the JV Company to the JV Partner such that the JV Company shall be held as to 60% by Gold Faith and as to 40% by the JV Partner respectively.

Having considered that the JV Partner will take up relevant liability in accordance with its shareholding proportion in the JV Company, we concur with the Directors that the contributions of the JV Partner are fair and reasonable.

Consideration

With reference to the Board Letter, the JV Partner shall pay to the Company a nominal consideration of US\$4.0 in cash, which represents the nominal value of four shares in the JV Company with nominal value of US\$1.0 each, for obtaining the 40% equity interest in the JV Company. Pursuant to the JV Agreement, the JV Partner shall assume relevant liabilities in consideration for the obtaining of 40% equity interest in the JV Company. Having considered that the JV Partner will take up the liabilities in proportion to its shareholding interest in the JV Company, thereby lowering the total liabilities of the Group by an approximate amount of 40% of the premium for the Land Parcel paid by the Group, the Board is of the view that the nominal consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LETTER FROM GRAM CAPITAL

Having considered that (i) the financial position of the JV Company as at 31 March 2016 as mentioned above; (ii) the JV Partner will take up relevant liability in accordance with its shareholding proportion in the JV Company; and (iii) the nominal consideration represents the nominal value of four shares in the JV Company, which represents 40% equity interest of the total issued share capital of the Company, we concur with the Directors that the nominal consideration is fair and reasonable.

Conditions precedent

The rights and obligations of the Parties under the JV Agreement is conditional on all necessary consents and approvals in relation to the transactions contemplated under the JV Agreement having been obtained by the Company, including, if necessary, the passing of ordinary resolution(s) by the Independent Shareholders at the SGM.

Shareholders' Agreement

Upon the signing of the JV Agreement, the Parties shall as soon as practicable enter into or procure their respective affiliates to enter into a shareholders' agreement of the JV Company in connection with the ownership and development of the Land Parcel by the Tenderer and to regulate the rights and obligations of the Parties or their respective affiliates inter se as shareholders of the JV Company and the Parties shall do all acts, deeds or things and execute all documents as may be necessary, desirable or expedient.

The Shareholders' Agreement shall provide, among other things, that

- (i) the directors of the Tenderer shall be appointed by the Parties in the shareholding proportions in the JV Company; and
- (ii) the Parties shall, either directly or through their respective holding companies or ultimate holding companies, contribute equity and/or other financial support (including additional equity, shareholders' loans and/or guarantees) to the Tenderer in their respective shareholding proportions in the JV Company.

As at the Latest Practicable Date, the Shareholders' Agreement has not yet been executed.

Board composition

The Shareholders' Agreement shall provide that the board of the JV Company shall consist of not more than five directors to the intent that each of Gold Faith and the JV Partner shall have the right to appoint one director for each twenty percent (but not part thereof) of the issued share capital of the JV Company owned by each of them and to remove the director appointed by each of them.

LETTER FROM GRAM CAPITAL

Profit distribution

The Shareholders' Agreement shall provide that all profits of the JV Company and/or the Tenderer shown in its audited accounts for any financial year to be available for distribution by way of dividend shall, subject to (i) payment of any instalments of principal due and any outstanding interests on external borrowings of the JV Company and/or the Tenderer and the terms and conditions of such borrowings; (ii) full repayment of shareholders' loans and any outstanding interests thereon; and (iii) the determination of the board of the JV Company in relation to working capital requirements of the JV Company and/or the Tenderer, be paid out to the Parties by way of dividend pro rata to their respective holdings in the JV Company at the material time.

Financing of the JV Company

The Parties shall, if called upon by the JV Company to do so, finance the business of the JV Company and/or the Tenderer in their respective shareholding proportion in the JV Company. The Parties will be called upon by the board of the JV Company at the same time. The amounts necessary for the JV Company and/or the Tenderer to develop the Land Parcel include but not limited to (i) the payment of the premium for the Land Parcel; (ii) all costs in connection with the Development including, inter alia, the costs of foundations, substructure, superstructure, building services and finishes, fees for all professional consultants, all license fees, duties and other incidental charges, other normal property development costs; (iii) other funding costs including but not limited to interests accrued on external borrowings of the JV Company and/or the Tenderer and/or shareholders' loan incurred in connection with the Acquisition and the development of the Land Parcel; and (iv) all costs and expenses incurred or to be incurred prior to and during the winding up of the JV Company and the Tenderer by means of additional equity or shareholders' loans as shall be determined by the board of the JV Company or by such other means as may be agreed by the Parties. The aggregate amount of each call for financing from the Parties shall be reasonably determined by the board of the JV Company from time to time and the amount so determined shall be paid or advanced by the Parties to the JV Company in accordance to their respective shareholding interest in the JV Company, within three days after the date of the call or demand letter issued by the JV Company.

It is expected that the Parties shall provide their corresponding portion of funds by means of additional equity or shareholders' loans in cash.

Event of default

Among other events of default, if any Party (the "**Defaulting Shareholder**") shall have failed to provide its portion of the financing to the JV Company (the "**Relevant Amount**") within seven (7) days upon required in writing so to do by the board of the JV Company, the non-defaulting Party may, in addition to its portion, make a shareholder's loan to the JV Company and/or the Tenderer in the Relevant Amount (the "**Relevant Loan**") (Details please refer to the below section headed "Provision of Relevant Loan").

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Further, the non-defaulting Party shall have the right (the “**Buy-out Right**”) to acquire the shareholding interest in the JV Company (“**JV Shares**”) held by the Defaulting Shareholder and the then outstanding shareholder’s loan owed by JV Company to the Defaulting Shareholder (the “**Shareholder’s Loan**”) (together with any outstanding interest accrued on such Shareholder’s Loan) (such JV Shares and Shareholder’s Loan (together with any outstanding interest thereon) are hereinafter collectively referred to as the “**Defaulter’s Stake**”), at a price which shall be the lower of (i) 90% of the net value of the Defaulter’s Stake in the JV Company’s and the Tenderer’s books or (ii) 90% of the market value of the Defaulter’s Stake, in both cases determined by reference to the date of the first request made in respect of the triggering of the Buy-out Right. A qualified independent valuer will be engaged by the JV Company to measure the fair value of the Land Parcel and all real properties erected thereon (if any) owned by the JV Company and the Tenderer to ensure fair determination of the market value of the Defaulter’s Stake at the time of such execution of the Buy-out Right.

Upon the acquisition of the JV Shares as a result of the buy-out, the Defaulting Shareholder shall cease to have any interest in the JV Company and the Tenderer upon which the non-defaulting Party shall have the right to terminate the Shareholders’ Agreement.

Provision of Relevant Loan

In view of the financial capabilities of the JV Partner and its interest in the Company as described in the section headed “Reasons for and benefits of the Transaction” above, there was no circumstances which caused us to doubt the possibility of the JV Partner not performing its duties under the Shareholders’ Agreement, especially its obligation to finance the JV Company when being called upon to do so. Nevertheless, the Relevant Loan shall be a debt owing by the JV Company and/or the Tenderer to the other Party making the same and the Defaulting Shareholder shall be liable:

- (a) to compensate the Party making the Relevant Loan for its or their funding costs in respect of the Relevant Loan or any outstanding part thereof at the rate of 5% above the prime rate, being the best lending rate in respect of Hong Kong dollar loans from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited, which will be accrued from the date of the provision of the Relevant Loan until the Relevant Loan is repaid in full by the JV Company and/or the Tenderer;
- (b) to pay to the Party making the Relevant Loan within 6 months of a demand notice to be served by the non-defaulting Party a sum equal to the outstanding amount of the Relevant Loan (including any outstanding interest accrued thereon) in consideration of the transfer to such Defaulting Shareholder of the Relevant Loan (including any outstanding interest accrued thereon) by the Party making the Relevant Loan whereupon the outstanding amount of the Relevant Loan shall become and be treated as shareholder’s loan made by the Defaulting Shareholder to the JV Company

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and/or the Tenderer and any outstanding interest accrued thereon shall become and be treated as owing from the JV Company and/or the Tenderer to the Defaulting Shareholder; and

- (c) to fully indemnify the Party making the Relevant Loan against any loss or damages suffered in connection with its making of the Relevant Loan.

The Shareholders' Agreement provides that the non-defaulting Party shall call for repayment of the Relevant Loan (including any outstanding interest accrued thereon) within 6 months after the provision of the Relevant Loan. If the Defaulting Shareholder fails to repay the outstanding amount of the Relevant Loan within 6 months of the demand notice (the "**Repayment Period**") served by the non-defaulting Party, the interest rate accrued on the Relevant Loan payable by the Defaulting Shareholder will be adjusted based on the higher of (i) the rate of 5% on top of the prime rate; or (ii) the effective annual return of the Development upon completion. The non-defaulting Party shall have the right to inject capital for settling this outstanding loan on behalf of the Defaulting Shareholder as well as to acquire all the shareholding interest held by the Defaulting Shareholder in the JV Company upon which the non-defaulting Party shall have the right to terminate the Shareholders' Agreement (the "**Termination Right**"). Having considered that (i) the Defaulting Shareholder shall be liable to, among other things, compensate the Party making the Relevant Loan for its or their funding costs in respect of the Relevant Loan; and (ii) the expected completion time for the Development will be on or before 31 December 2021, which will be over six months since the commencement of the Development, we consider the Repayment Period to be reasonable.

The Company will seek funding arrangement for the Relevant Loan by debt and/or equity financing and/or other finance arrangements as the Company might deem appropriate. Taking into account that upon formation of the JV Company, the JV Company will be able to provide the corporate guarantee by the Company and also the personal guarantee by Mr. Pan, who wholly owns the JV Partner, for security for repayment of external loans borrowed from the banks for the financing of the JV Company, it is the Company's intention to provide the Shareholder's Loan, if arose, instead of termination of the Shareholders' Agreement, such that the original purpose of the joint venture formation to share between the Parties the liabilities and financial risk arising from external borrowings is sustained. We concur with the Directors in this regard.

Upon the triggering of event of default by the JV Partner, if any, the Directors, together with the independent non-executive Directors of the Company will take into account, among other factors, (i) the then existing debt arrangement established with the respective banks; (ii) the cost needed to acquire the Defaulter's Stake; (iii) the amount of development cost already incurred in the Development as well as the construction progress of the Development; and (iv) the on-going commitment and performance under the Shareholders' Agreement of the Parties, in considering whether to provide the Relevant Loan and/or to execute the Buy-out Right and/or the Termination

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Right, where applicable, after reviewing the aforesaid relevant information. Taking into account the recommendation from the independent non-executive Directors of the Company and after assessing the aforesaid factors, the Company will make a decision by calling a meeting of the Board, whereupon Mr. Pan shall abstain from voting at such meeting given his interest in the Shareholders' Agreement, as to whether to provide the Relevant Loan and/or to execute the Buy-out Right and/or the Termination Right in the event of default by the JV Partner, if any, in order to ensure such decision is in the interest of the Company and its Shareholders as a whole.

In light of that:

- (i) in the event that the Company as being the Party making the Relevant Loan and the JV Partner as being the Defaulting Shareholder, the Company will be compensated by the JV Partner in respect of the Relevant Loan or any outstanding part thereof at the rate of 5% above the prime rate;
- (ii) in the event that the Company as being the Party making the Relevant Loan and the JV Partner as being the Defaulting Shareholder, the JV Partner is liable to pay to the Company within 6 months of the demand notice a sum equal to the outstanding amount of the Relevant Loan (including any outstanding interest accrued thereon);
- (iii) if the JV Partner fails to repay the outstanding amount of the Relevant Loan within 6 months of the demand notice, the interest rate accrued on the Relevant Loan payable by the Defaulting Shareholder will be adjusted based on the higher of (a) the rate of 5% on top of the prime rate; or (b) the effective annual return of the Development upon completion;
- (iv) as mentioned above, the Repayment Period is reasonable;
- (v) the Company as being the non-default party shall have the right, among others, to acquire all the shareholding interest held by the JV Partner in the JV Company in the circumstances as set out in the section headed "Event of default" and accordingly the JV Partner shall cease to have any interest in the JV Company and the Tenderer;
- (vi) in case of a default, a qualified independent valuer will be engaged by the JV Company to ensure fair determination of the market value of the Defaulter's Stake at the time of such execution of the Buy-out Right which enables the Company to execute the Buy-out Right in a fair and independent manner;
- (vii) after taking into account of certain factors as mentioned above, the independent non-executive Directors of the Company will make recommendation to the Company as to the provision of Relevant Loan and/or to execute the Buy-out Right and/or the Termination Right in the event of default by the JV Partner; and

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- (viii) the Company will make a decision by calling a meeting of the Board, whereupon Mr. Pan shall abstain from voting at such meeting given his interest in the Shareholders' Agreement, as to the provision of Relevant Loan and/or the execution of Buy-out Right and/or the Termination Right in the event of default by the JV Partner,

we considered that the arrangement as set out under the section headed "Financing of the JV Company" above is acceptable.

Further details of the Shareholders' Agreement are set out under the section headed "Shareholders' Agreement" of the Board Letter.

In order to assess the fairness and reasonableness of the JV Agreement and the transactions contemplated thereunder, we have identified, to the best of our knowledge and as far as we are aware of, 15 notifiable and/or connected transactions in relation to formation of joint ventures entered into by companies listed on the Stock Exchange, from 1 June 2016 up to 30 June 2016, i.e. the date of the JV Agreement (being the one month period before entering into the JV Agreement) (the "**Comparable Transaction(s)**"). Shareholders should note that the businesses, operations and prospects of the JV Company under the terms of the JV Agreement and the transactions contemplated thereunder may not be the same with those of the Comparable Transactions and the Comparable Transactions are used to provide a general reference for the common market practice in recent transactions regarding formation of joint ventures entered into by companies listed on the Stock Exchange.

We noted from the relevant announcements of the Comparable Transactions that:

- (i) the capital commitment under 14 Comparable Transactions are based on the proportion of their respective interest in the joint venture (no relevant information was disclosed in one Comparable Transaction);
- (ii) the rights of appointment of directors of each of the parties to the transactions under seven Comparable Transactions are based on the proportion of their respective interest in the joint venture (no relevant information was disclosed in six Comparable Transactions); and
- (iii) none of the Comparable Transactions contains term on profit sharing which is not in proportion to the respective interest of each of the parties in the joint venture.

As such, we are of the view that the terms of the JV Agreement are comparable with the Comparable Transactions in terms of (i) capital commitment, (ii) composition of the board of directors, and (iii) profit sharing.

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Having considered the above factors, we are of the view that the above major terms of the JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

C. Possible financial effects of the Transaction

Upon completion of the Transaction, it is agreed that the JV Partner will take up relevant liabilities of the JV Company in accordance with its equity interest in the JV Company. The JV Company will become an indirect non wholly-owned subsidiary of the Company and its financial results will continue to be consolidated into the financial statements of the Company.

With reference to the Board Letter, given that the Land Parcel has yet to develop, it is expected that the Acquisition will not have any immediate material impact on the earnings of the Group. The Company expects that after taking into account the expenses directly related to the Transaction, there will not be any significant gain/loss recorded as a result of the Transaction. The actual financial effects may differ and are subject to audit.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Transaction.

RECOMMENDATION ON THE TRANSACTION

Having taken into consideration the factors (including the internal control measures) and reasons as stated above, we are of the opinion that (i) the terms of the JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transaction is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the JV Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
David Kwan
Director

1. THREE-YEAR FINANCIAL INFORMATION

Details of the financial information of the Group for the financial years ended 30 June 2013, 2014 and 2015 and for the six months ended 31 December 2015 are disclosed in the following documents which have been published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.goldinfinancial.com:

- annual report of the Company for the year ended 30 June 2013 (pages 57 to 170);
- annual report of the Company for the year ended 30 June 2014 (pages 56 to 168);
- annual report of the Company for the year ended 30 June 2015 (pages 72 to 180); and
- interim report of the Company for the six months ended 31 December 2015 (pages 22 to 46).

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2016, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$9,339,243,000 comprising (i) secured bank loans of HK\$9,270,767,000; (ii) unsecured bank loans of HK\$1,358,000; (iii) unsecured bank overdraft of HK\$819,000; and (iv) unsecured and unguaranteed loan from a related party of HK\$66,299,000.

The secured bank loans were (i) secured by mortgages over the entire share capital of certain subsidiaries, an investment property and a property under development of the Group; and (ii) guaranteed by the Company and Mr. Pan Sutong, the controlling Shareholder of the Company. An unsecured bank loan of HK\$277,000 was guaranteed by an outsider who is one of the beneficial shareholders of the former non-controlling interest.

As at the close of business on 30 June 2016, the Group pledged its land use rights and properties located in Guangzhou and Tianjin for obtaining a banking facility from a bank which has not been utilised.

Save as aforesaid or otherwise mentioned herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, the Group did not have any other outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities at the close of business on 30 June 2016, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular.

3. WORKING CAPITAL

The outstanding secured bank loans of the Group of HK\$9,270,767,000 as at 30 June 2016 in the above section headed “**2. Indebtedness Statement**” will be due in the coming 12 months from the circular date. The Group intends to refinance the secured bank loans upon the maturities and is in the process of obtaining the refinancing from relevant banks for an aggregate facility amount of not less than the outstanding secured bank loans as at 30 June 2016 and for terms of at least one year. As at the circular date, the Group is in the process of obtaining the refinancing from the relevant banks which, amongst other things, will require the Group to obtain the occupation permit and certificate of compliance on its investment property, being the Goldin Financial Global Centre located in Kowloon Bay, Hong Kong, which is in progress. The Directors have been closely monitoring the application status of the aforesaid documents and as at the circular date, there were no issues encountered by the Company in respect of such application. The Directors will use their best endeavours to ensure the smooth application of the necessary documents and expect these documents can be obtained before the maturities of the existing secured bank loans. Accordingly, the sufficiency of working capital of the Group in the next 12 months from the circular date is dependent on the successful refinancing of the aforesaid secured bank loans.

The Directors are of the opinion that after taking into account the Group’s internal resources, the existing available facilities from banks and a related party, and the intended refinancing of the existing bank facilities upon maturities, the Group will have sufficient working capital for its business for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 June 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) the provision of factoring services; (ii) financial investments; (iii) winery and wine related business; and (iv) property development and investment business. For the factoring services, the Group will continue to maintain the competitive edge in terms of offering competitive factoring services and prudent risk management and client selection strategies across all fronts. Since the PRC’s currency is beginning to integrate with the global financial systems, the commercial factoring industry in the PRC will be energized and the Group considers that there is huge potential for growth and business opportunities to the Group’s factoring business in the future. The Group will seek opportunities through new ventures and to tie business coalitions with other domestic and overseas factors and financial institutions. In view of the successful financial performance of wine trading, the Group will continue to strive on the potential wine and wine-related businesses in order to strengthen the market penetration in both the PRC and Hong Kong markets. It is the Group’s intention to search for acquisition opportunities around the world to facilitate and enhance the production, storage and distribution capabilities of the wine business of the Group. Considering that Hong Kong being a well-established international financial centre, the Group is of the

view that the commercial and residential property market will continue to grow in the future. Goldin Financial Global Centre, which is located in Kowloon Bay, Hong Kong, is scheduled to complete this year. Goldin Financial Global Centre is expected to become a landmark with contemporary office with premium and spacious office space, food and beverage zone with specialty and fine dining restaurants, and over 300 car parking spaces. Goldin Financial Global Centre is expected to bring promising capital value and potential rental income to the Group in the coming years. While the Group remains confident about the future of Hong Kong's commercial property sector, the Group also seek to expand its real estate portfolio into the luxury residential property sector by constant evaluation and identify suitable land parcel for such development. As such, the Group has identified the Land Parcel. Upon the completion of the Acquisition, the Group intends to develop the Land Parcel on a joint-venture basis with the JV Partner into residential property buildings which is expected to capture the market share in the growing property market in Hong Kong and to broaden its revenue stream.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from RHL Appraisal Limited, an independent valuer, in connection with its valuation as at 30 June 2016 of the Land Parcel held by Goldin Financial Holdings Limited or its subsidiaries.



永利行評值顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

T +852 2730 6212
F +852 2736 9284

Room 1010, 10/F, Star House
Tsimshatsui, Hong Kong

18 August 2016

The Board of Directors
Goldin Financial Holdings Limited
22/F,
Two International Finance Centre,
8 Finance Street,
Central,
Hong Kong

Dear Sirs / Madam,

INSTRUCTIONS

We refer to your instruction for us to value the properties interests (the “**Land Parcel**”) held by Goldin Financial Holdings Limited (the “**Company**”) or its subsidiaries (together referred as the “**Group**”) located in Hong Kong. We confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Land Parcel as at 30 June 2016 (the “**Valuation Date**”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (“**Market Value**”) which we would define as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the Land Parcel by using the Direct Comparison Approach, which is based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, development scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

VALUATION CONSIDERATIONS

In valuing the property interest, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2012 Edition.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Land Parcel on the market in their existing state without the benefit of a cash rebate, deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which could serve to increase the value of the Land Parcel. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the Land Parcel and no forced sale situation in any manner is assumed in our valuation.

No allowances have been made in the report for any charges, mortgages or amounts owing to the Land Parcel, nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Land Parcel is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

Unless otherwise stated, we have assumed that the Land Parcel will be constructed, occupied and used in full compliance with, and without contravention of all Ordinances. We have further assumed that, for any use of the Land Parcel upon which this report is based, all required licenses, permit, certificated, and authorizations have been or will be obtained.

While we have taken care to investigate the title to the Land Parcel, we do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Group. Neither have we verified the correctness of any information supplied to us concerning the Land Parcel.

We have not carried out detailed on-site measurements to verify the correctness of the areas in respect of the Land Parcel but have assumed that the areas shown on the documents and/or official plans are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Other special assumptions of the Land Parcel, if any, have been stated in the footnote of the valuation certificate of the Land Parcel.

TITLE INVESTIGATION

We have been provided with copies of various documents relating to the Land Parcel and have caused searches to be made at the Hong Kong Land Registry and made relevant enquiries. However, we have not searched the original documents to verify the ownership or to ascertain any amendment. All documents have been used for reference only.

LIMITING CONDITIONS

We have conducted on-site inspections to the Land Parcel in July 2016 by our staff Mr. Richard Pang (BSc in Surveying) who has 3-year experience in property inspection. During the course of our inspections, we did not note any serious defects. However, we must point out that we have not carried out a structural survey nor have we inspected parts of the structures which are covered, unexposed or inaccessible, we are therefore unable to report and any such part of the Land Parcel are free from rot, infestation or any other defects.

None of the services have been tested by us and we are, therefore, unable to report on their present conditions. We have no duty to verify that no deleterious or hazardous materials or techniques have been used in the construction of or making addition or alteration to the Land Parcel. We have assumed that utility services, such as electricity, telephone, water, etc., are available and free from defect.

However, we have not carried out any site investigation to determine the suitability of the ground conditions or the services for any property development erected or to be erected thereon. Nor did we undertake archaeological, ecological or environmental surveys for the Land Parcel. Our valuation is prepared on the assumptions that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the Land Parcel or on adjoining or neighbouring land or that the Land Parcel had been or are being put to contaminated use, we reserve right to revise our opinion of value.

Our valuation has been made on the basis that there is no substantial change in the physical conditions of the Land Parcel between the Valuation Date and the date of our inspection.

We have relied very considerable extent on the information provided by the Group and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Land Parcel. The

plans including but not limited to location plan, site plan, lot index plan, outline zoning plan, building plan if any, in the report are included to assist the reader to identify the Land Parcel for reference only and we assume no responsibility for their accuracy.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Group. Neither have we verified the correctness of any information supplied to us concerning the Land Parcel.

This report is for the exclusive use of the addressee stated herein and for that particular purpose only. The contents of this report either in whole or in part shall not be disclosed to any other parties and we accept no responsibility if it is used or relied upon by any others or for purposes other than that stated herein. Neither the whole nor any part of this report or any reference thereto may be included in any published documents, circular or statement nor published in any way without our written approval or the form and context in which it may appear.

REMARKS

Our valuation has been prepared in accordance with the HKIS Valuation Standards on Properties (2nd Edition 2012) published by The Hong Kong Institute of Surveyors effective from 1 January 2013.

We have valued the Land Parcel in Hong Kong Dollars (HK\$). We herewith enclose our valuation certificate.

Yours faithfully,
For and on behalf of
RHL Appraisal Ltd

Sr Serena S. W. Lau
FHKIS, AAPI, MRICS, RPS(GP), MBA(HKU)
Managing Director

Sr Keith L.H. Siu
BSc MRICS MHKIS RPS (GP) MCIREA
Director

Sr Serena S. W. Lau is a Registered Professional Surveyor (GP) with over 20 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region. Ms. Lau is a Professional Member of The Royal Institution of Chartered Surveyors, an Associate of Australian Property Institute, a Fellow of The Hong Kong Institute of Surveyors as well as a registered real estate appraiser in the PRC.

Sr Keith L. H. Siu was elected a Professional Member of the Royal Institution of Chartered Surveyors in the General Practice Division and a Professional Member of the Hong Kong Institute of Surveyors in the General Practice Division in 1998. He was enrolled as a Registered Professional Surveyor in the General Practice Division (under the Surveyors Registration Ordinance Cap. 417) in 2000. In addition, he became a Professional Member of the CIREA.

VALUATION CERTIFICATE

Land Parcel held by the Group for future development in Hong Kong

Land Parcel	Description and tenure	Particulars of occupancy	Market Value as at 30 June 2016 HK\$
A parcel of development land (Lot No. Kowloon Inland Lot No. 11257) located at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong	The Land Parcel comprises a piece of parcel of land with a lot area of about 9,074 square metres (approximately 97,672.5 square feet).	The Land Parcel is currently vacant as at Valuation Date.	6,382,000,000 (Hong Kong Dollars Six Billion Three Hundred and Eighty Two Million Only)
Whole shares of and in Kowloon Inland Lot No. 11257	The Land Parcel is held under a Condition of Sale No. 20268 for a leasehold term of 50 years commencing from 30 March 2016.		
	The Land Parcel is subject to an annual rent of an amount equal to 3% of the rateable value from time to time of the lot.		

Notes:

- The registered owner of the Land Parcel is Gold Topmont Limited (金鏞有限公司) via Condition of Sales No. 20268 for a consideration of HK\$6,381,217,908 dated 30 March 2016.
- The Land Parcel is subject to Building Mortgage in favour of Wing Lung Bank, Limited on its own behalf and as Security Agent and Trustee for the Finance Parties for the consideration of all moneys vide memorial no. 16042901890035 dated 29 April 2016.
- Under Approved Ho Man Tin Outline Zoning Plan No. S/K7/24, the Land Parcel is zoned Residential (Group B) 3. This zone is intended primarily for medium-density residential developments where commercial uses serving the residential neighbourhood may be permitted on application to the Town Planning Board. No new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of a maximum plot ratio of 6.0 and the maximum building heights 100 and 120 metres respectively above Principal Datum as stipulated on the Plan, or the plot ratio and height of the existing building, whichever is the greater.
- According to Special Conditions of Condition of Sales No. 20268, it stipulated as:
 - The Group shall develop the property into building or buildings which shall be completed and made fit for occupation on or before 31 December 2021.
 - The property of any part thereof or any building or part of any building or to be erected thereon shall not be used for any purpose other than for private residential purpose.
 - The total developable gross floor area of any building or buildings erected or to be erected on the property shall not be less than 32,667 square metres (approximately 351,627.6 square feet) and shall not exceed 54,444 square metres (approximately 586,035.2 square feet).
- As advised by the Company, Gold Topmont Limited (金鏞有限公司) is an indirectly wholly-owned subsidiary of the Company.

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

(a) Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("**Model Code**") to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares and underlying Shares of the Company:

Name of Directors	Notes	Number of Shares held		Number of underlying Shares	Total (Long Position)	Approximate
		Personal interests	Corporate interests			% of the total issued Shares as at the Latest Practicable Date
Mr. Pan	1	217,275,000	4,714,821,634	-	4,932,096,634	70.56%
Professor Huang Xiaojian	2	-	-	3,000,000	3,000,000	0.04%
Mr. Zhou Xiaojun	2	-	-	2,000,000	2,000,000	0.03%
Ms. Hou Qin	2	1,560,000	-	-	7,560,000	0.11%
		-	-	6,000,000		

Notes

1. The 4,714,821,634 Shares held by Mr. Pan through controlled corporations included:

- (a) Goldin Real Estate Financial Holdings Limited ("**Goldin Real Estate Financial**") is deemed to be interested in 4,670,505,634 Shares, of which as to 4,473,545,636 Shares held by Goldin Global Holdings Limited and as to 196,959,998 Shares held by Goldin Equities Limited respectively. Both Goldin Global Holdings Limited

and Goldin Equities Limited are indirect wholly-owned subsidiaries of Goldin Real Estate Financial. Goldin Real Estate Financial is wholly owned by Mr. Pan.

- (b) 44,316,000 Shares held by Clear Jade International Limited which is wholly owned by Mr. Pan.
2. The underlying Shares are the share options granted by the Company to the respective Directors under the share option schemes of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) 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 interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders' interests and short positions in the Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, the following persons had, or were deemed to have, interests or short positions in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO 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:

Name of shareholders	Notes	Capacity	Number of Shares held	Total (Long Position)	Approximate % of the total issued Shares as at the Latest Practicable Date
Goldin Global Holdings Limited	1	Beneficial owner	4,473,545,636	4,473,545,636	64.00%
Mr. Pan	2	Interests held as beneficial owner and through controlled corporations	4,932,096,634	4,932,096,634	70.56%

Notes

1. Goldin Global Holdings Limited is a wholly-owned subsidiary of Goldin Investment Holdings Limited, which is, in turn, a 100% owned subsidiary of Goldin Real Estate Financial. Goldin Real Estate Financial is wholly owned by Mr. Pan.

2. The 4,714,821,634 Shares held by Mr. Pan through controlled corporations are as follows:
- (i) Goldin Real Estate Financial is deemed to be interested in a total of 4,670,505,634 Shares, as to which 4,473,545,636 Shares held by Goldin Global Holdings Limited (as disclosed in Note 1 above) and 196,959,998 Shares held by Goldin Equities Limited respectively.

Goldin Equities Limited is wholly owned by Goldin Investment Advisers Limited, which is, in turn, a 100% owned subsidiary of Goldin Financial Investment Limited. Goldin Financial Investment Limited is a wholly-owned subsidiary of Goldin Real Estate Financial.
 - (ii) 44,316,000 Shares held by Clear Jade International Limited which is wholly owned by Mr. Pan.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge of the Directors, Mr. Pan, wholly and beneficially owned the entire issued share capital of Goldin Financial Global Square Limited, which is the owner of a 11-storey industrial building having a gross floor area of approximately 311,700 square feet (excluding car parking spaces) located in Kowloon Bay, Hong Kong.

Save as disclosed, none of the Directors or their respective associates was considered to have any interests in the business which compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by the relevant member within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

There was no contract or arrangement in which any Directors was materially interested and which was significant in relation to the business of the Group subsisting as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 30 June 2015 (the date of which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts had been entered into by members of the Group not being contracts entered into in the ordinary course of business within two years immediately preceding the Latest Practicable Date, which are or may be material:

- (a) a supplemental agreement to the loan agreements dated 16 August 2011 and 30 August 2012 both entered into between the Company as borrower and Goldin Global Holdings Limited, a substantial shareholder of the company, as lender for a stand-by facility of US\$300 million was made on 6 March 2015 for increasing the offering amount to US\$500 million;
- (b) the agreement dated 13 March 2015 entered into between Gold Podium Limited (“**Gold Podium**”), a wholly-owned subsidiary of the Company and Mr. Pan in relation to the acquisition of a parcel of land situated at Dongjiang Free Trade Port Zone, Tianjin, the PRC, together with all the buildings and structures erected thereon and other fixtures and appurtenances thereto (the “**Tianjin Wine Cellar**”), details of which are disclosed in the circular of the Company dated 29 May 2015;
- (c) the agreement dated 13 March 2015 entered into between Gold Podium and Prosper Giant Investments Limited in relation to the acquisition of two parcels of land situated at Guangzhou Free Trade Zone, Guangdong Province, the PRC, together with all the buildings and structures erected thereon and other fixtures and appurtenances thereto (the “**Guangzhou Wine Cellar**”), details of which are disclosed in the circular of the Company dated 29 May 2015;
- (d) the facility agreement dated 23 March 2016 entered into between the Tenderer and Wing Lung Bank, Limited for the one-year bridge loan facility of up to HK\$3,192 million, the parties further agreed certain terms and entered a syndication agreement on 21 July 2016 made among the Tenderer, Wing Lung Bank, Limited and certain banks and financial institutions whereby part of the existing lender’s offered loans and its corresponding rights and obligations under the said facility agreement were transferred by novation to the new lenders;
- (e) the loan agreement dated 24 March 2016 entered into between Smart Edge Limited (“**Smart Edge**”), a 60%-owned subsidiary of the Company, and Industrial and Commercial Bank of China (Asia) Limited for the nine-month loan facility of up to HK\$6,400 million;

- (f) the deeds of release dated 29 March 2016 granted by Bank of Communications Co., Ltd Hong Kong Branch (“**Bank of Communications**”) in favour of Smart Edge for discharging Smart Edge’s liabilities and obligations owing and all securities secured under the loan facility agreement dated 26 November 2012, as supplemented, for the facilities of up to HK\$3,000 million and the facility agreement dated 23 November 2015 made between Smart Edge and Bank of Communications for the term loan facility of up to HK\$500 million;
- (g) the Memorandum of Agreement;
- (h) the standby facility agreements dated 2 June 2016 entered into between the Company and Bank of China, Shenzhen Branch for a three-year term loan of RMB1,800 million, as guaranteed by the charged assets namely Tianjin Wine Cellar and the Guangzhou Wine Cellar respectively; and
- (i) the JV Agreement.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions or advice contained in this circular:

Name	Qualification
Gram Capital	A licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO
RHL Appraisal Limited (“RHL”)	An independent valuer

Each of Gram Capital and RHL has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of the text of their letters and/or the references to their respective names in the form and context in which they appear.

As at the Latest Practicable Date, each of Gram Capital and RHL did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of Gram Capital and RHL was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2015, being the date of which the latest published audited accounts of the Company were made up.

9. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Lun Hau Man.
- (b) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda, and the principal place of business in Hong Kong is 22/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English texts of this circular shall prevail over the Chinese texts in case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 22/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours (except Saturdays and public holidays) for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the two financial years ended 30 June 2014 and 2015;
- (c) the interim report of the Company for the six months ended 31 December 2015;
- (d) the letter of recommendation from the Independent Board Committee to the Independent Shareholders as set out on page 16 of this circular;
- (e) the letter of advice from Gram Capital as set out on pages 17 to 31 of this circular;
- (f) the letter and valuation certificate relating to the Land Parcel prepared by RHL Appraisal Limited as set out in Appendix II to this circular;
- (g) the written consents referred to in the paragraph under the heading "**Experts and Consents**" in this appendix;
- (h) the material contracts referred to in the paragraph under the heading "**Material Contracts**" in this appendix; and
- (i) this circular.

NOTICE OF SGM



GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a SPECIAL GENERAL MEETING (the “SGM”) of Goldin Financial Holdings Limited (the “Company”) will be held at Victoria Room II, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Friday, 2 September 2016 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed, with or without modification, as an ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the agreement dated 30 June 2016 (the “JV Agreement”) entered into between Gold Faith Global Limited and Chariot Power Investments Limited (a copy of which is marked “A” and now produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company, or any two directors of the Company or any one director and the secretary of the Company if the affixation of the common seal is necessary, be and is/are hereby authorized for and/or on behalf of the Company to sign and execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to, expedient for the purpose of giving effect to or in connection with the JV Agreement.”

By order of the Board
Goldin Financial Holdings Limited
Pan Sutong
Chairman

Hong Kong, 18 August 2016

Principal place of business in Hong Kong:
22/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

* for identification purposes only

NOTICE OF SGM

Notes:

- (1) A member of the Company entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member. A member may appoint not more than two proxies to attend on the same occasion. A form of proxy for use at the SGM is enclosed herewith.
- (2) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
- (3) In the case of joint registered holders of any share in the capital of the Company, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such shares as if it/he/she was solely entitled thereto, but if more than one of such joint registered holders is present at the SGM, either 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 shall alone be entitled to vote in respect thereof.
- (4) If typhoon signal no.8 or above remains hoisted or a black rainstorm warning signal is in force at 12:00 noon at the date of the SGM, the SGM will be postponed.

Shareholders are requested to visit the website of the Company at <http://www.goldinfinancial.com> for details of alternative meeting arrangements.

The SGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

Shareholders who have any queries concerning the alternative meeting arrangements, please call the Company at (852) 2882 9171 during business hours from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays, excluding public holidays.

Shareholders should make their own decision as to whether they would attend the SGM under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

- (5) Completion and return of the form of proxy will not preclude members from attending and voting at the SGM or any adjourned meeting if they so wish. If a member attends the SGM after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
- (6) As at the date of this notice, Mr. Pan Sutong (*Chairman*), Professor Huang Xiaojian, Mr. Zhou Xiaojun and Ms. Hou Qin are the executive directors of the Company; and Ms. Hui Wai Man, Shirley, Mr. Tang Yiu Wing and Ms. Gao Min are the independent non-executive directors of the Company respectively.