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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 AND CONNECTED TRANSACTION IN RELATION TO
ACQUISITION OF LAND BY WAY OF JOINT VENTURE
AND
(2) NOTICE OF SGM**

Financial adviser to the Company



GOLDIN FINANCIAL LIMITED
高銀融資有限公司

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



Gram Capital Limited
嘉林資本有限公司

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

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee is set out on page 14 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 15 to 28 of this circular.

A notice convening the SGM of the Company to be held at Edinburgh Room, 2/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on 1 November 2016 at 4 p.m. is set out on pages 38 to 39 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.

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	14
Letter from Gram Capital	15
Appendix I — Financial information of the Group	29
Appendix II — General information	32
Notice of SGM	38

DEFINITIONS

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

“Affiliate(s)”	in relation to a person (the “ first-mentioned person ”), any person that directly or indirectly controls or is controlled by or is under common control with the first-mentioned person; and “control” (including the terms “controlled by” and “under common control with”), as used in relation to any person, means the power, direct or indirect, to direct or cause the direction of the management and policies of such person whether through the ownership of voting securities, by contract, as trustee, executor, agent or otherwise and, without prejudice to the generality of the foregoing, any person owning more than 50% or more of the voting securities of another person shall be deemed to control that other person
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Goldin Financial Holdings Limited, a company incorporated in Bermuda with limited liability, 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
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Development”	the development of any Land which is successfully acquired by the JV Company or any SP Entity subject to the conditions of the acquisition and the purpose specified in the auction or tender document
“Director(s)”	director(s) of the Company
“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”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board established to advise the Independent Shareholders in respect of the terms 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 relation to the JV Agreement and the transactions contemplated thereunder
“Independent Shareholders”	all Shareholders other than Mr. Pan and his associates
“JV Agreement”	the agreement dated 5 September 2016 entered into between the Company and Mr. Pan
“JV Company”	the joint venture entity to be duly incorporated in Hong Kong or elsewhere by the Parties or their respective Affiliates in accordance with the terms of the JV Agreement
“Land”	any parcel or parcels of land (whether with or without any building or other erections erected thereon) to be acquired by the JV Company or any SP Entity through Tender as pursuant to the JV Agreement
“Latest Practicable Date”	11 October 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
“Mr. Pan” or “JV Partner”	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
“Party(ies)”	the party(ies) to the JV Agreement
“PRC”	the People’s Republic of China
“PRC Governmental Body”	has the meaning ascribed to it under the Listing Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

DEFINITIONS

“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)”	the holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between the Parties pursuant to the JV Agreement in the event that the Tender is successful
“SP Entity”	the JV Company or any special purpose entity which is formed and wholly-owned by the JV Company for the purpose of holding any Land and carrying out and completing the Development to which the Land relates
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the auction, tender, listing-for-sale or other similar means governed by the laws of Hong Kong or (as appropriate) the PRC for the acquisition of any Land made by the JV Company or any SP Entity
“%”	per cent.



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

14 October 2016

To the Shareholders,

Dear Sir/Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
ACQUISITION OF LAND BY WAY OF JOINT VENTURE**

INTRODUCTION

Reference is made to the announcement of the Company dated 5 September 2016 in relation to the formation of a joint venture company for the acquisition of Land.

On 5 September 2016, the Company entered into the JV Agreement with Mr. Pan pursuant to which the Parties have agreed to co-operate to acquire, through the JV Company or any SP Entity, any Land from the HK Government or a PRC Governmental Body through Tender, and engage in the Development of any Land which is successfully acquired by the JV Company or any SP Entity, in a maximum aggregate sum of HK\$20 billion.

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

* *for identification purposes only*

LETTER FROM THE BOARD

THE JV AGREEMENT

- Date** 5 September 2016
- Parties**
- (1) the Company
 - (2) Mr. Pan, who is the Chairman of the Board, an executive Director and the controlling Shareholder, and therefore a connected person of the Company

Formation of the JV Company

Upon the JV Agreement becoming unconditional, the Parties shall incorporate and establish the JV Company in Hong Kong or elsewhere in accordance with the terms of the JV Agreement such that it will be owned as to 60% by the Company and as to 40% by Mr. Pan. Pursuant to the JV Agreement, the business scope of the JV Company will be to participate in Tender for the acquisition of Land in accordance with the relevant requirements specified by the HK Government or a PRC Governmental Body, if the Tender is successful, to take up the lease of the Land and undertake the Development by funding the same in accordance to their shareholding proportions.

The Parties shall, prior to participating in any Tender, agree on the maximum price which the JV Company or the SP Entity is prepared to pay for the identified Land. All costs and expenses incurred in connection with the Tender shall be borne by the Parties in accordance with their respective shareholding proportion, irrespective of whether the Tender is successful or not. The total estimated land cost for the Tender shall be in an aggregate sum of HK\$20 billion, which was determined after arm's length negotiation between the Company and Mr. Pan, taking into account (i) the potential cost for future Tender; and (ii) the past experience of the management of the Company with regards to land bidding and the undertaking of property development projects. The Company will fund the JV Company according to its shareholding interest in the JV Company by internal resources and/or other borrowings.

The Company has been considering certain parcel of land open for public tender by the HK Government with reference to the land sale programme published by the Lands Department. The Company intends to participate in public tender to acquire the potential identified target(s) through the JV Company. Should the potential acquisition materialises, the Company will comply with the relevant Listing Rules requirement as and when appropriate.

Tender Deposit

The Parties shall make contribution as a deposit (the "**Tender Deposit**") for the Tender in the amounts according to their respective shareholding proportion in the JV Company on a timely basis. In the event that the Tender is not successful, the Parties shall use their best endeavours to continue to review and assess the possibility of participating in any other Tender. The JV Agreement provides that any Tender Deposit made for the unsuccessful Tender will be (i) applied as deposit for participating in other Tender; (ii) refunded to the Parties in accordance with their shareholding proportions in the JV Company; or (iii) dealt with in such a manner as may be agreed between the Parties for the purpose for which the JV Company will be established for other Tender.

LETTER FROM THE BOARD

Conditions precedent

The JV Agreement shall take effect and be conditional upon the Company obtaining the Independent Shareholders' approval at the SGM for the terms of the JV Agreement and the transactions contemplated thereunder. Pursuant to the JV Agreement, the JV Company will be formed and any SP Entity which may be established will be wholly owned by the JV Company. The Company will establish such joint venture arrangement with the JV Partner to form JV Company(ies) for engagement in acquisition and development of Land(s). If the Company needs to form another joint venture under terms and conditions different from those as contemplated under the JV Agreement, the Company will comply with the relevant Listing Rules requirement and seek Independent Shareholders' approval as and when appropriate.

Shareholders' Agreement

If the Tender is successful, the Parties shall as soon as practicable enter into or procure their respective Affiliates to enter into a Shareholders' Agreement of the JV Company to regulate the rights and obligations of the Parties or their respective Affiliates. The Parties shall do all acts, deeds or things and execute all documents as may be necessary, desirable or expedient for the attainment of, or to give effect to, the Shareholders' Agreement.

The Shareholders' Agreement shall contain, among others, the following principal terms and conditions:

- (i) the JV Company's business scope shall be: (1) the participation of any Tender; (2) the acquisition of any Land through any Tender such that the JV Company and any SP Entity can acquire one or more than one potential target of Land and, if the Tender is successful, carrying out and completing the Development to which the Land relates; and/or (3) the holding of any SP Entity, the sole purpose of which is to participate in any Tender and, if the Tender is successful, carrying out and completing the Development to which the Land relates. No change of the aforesaid business scope will be allowed except with unanimous consent of both Parties;
- (ii) the directors of the JV Company shall be appointed by the Parties in accordance with their shareholding proportions;
- (iii) the Parties shall, either directly or through their respective Affiliates, contribute equity and/or other financial support (including additional equity, shareholders' or bank loans and/or guarantees) to the JV Company in their shareholding proportions;
- (iv) the total estimated land costs for the JV Company for Tender and acquisition of Land shall be in an aggregate sum of HK\$20 billion which shall be contributed by the Parties in their shareholding proportions;
- (v) the Parties will share all the costs and expenses associated with the establishment and operations, profit and loss of the JV Company in accordance with their shareholding proportions;
- (vi) apart from change in the JV Company's nature or scope of its business as mentioned above and other matters to be agreed between the Parties, the following corporate matters of the JV Company shall require unanimous consent of both Parties:

LETTER FROM THE BOARD

- (1) increase or decrease in or other alteration to the share capital;
 - (2) amendment to the memorandum and articles of association or similar organisational documents;
 - (3) creation of any debt, advance, mortgage, lien or charge over or disposal of material assets other than in the ordinary course of business;
 - (4) entering into of any transactions or legally binding arrangements or agreements that are not on an arm's length basis;
 - (5) amendment of the memorandum and articles of association or similar organisational documents of any SP Entity;
 - (6) change in the sharing of profits and loss in accordance with their shareholding proportions; and
 - (7) the winding up, dissolution or liquidation of the JV Company or any SP Entity unless it shall have become insolvent or such dissolution is permitted under the JV Agreement.
- (vii) if the JV Company requires additional funding for its operations or for the operation of any SP Entity, such funding may be financed by way of third party financing to be obtained by the JV Company. Other than the third party financing, the Parties may be called to provide financial support to the JV Company including contribution of additional equity, shareholders' loans, indemnity and/or other guarantee which shall be on a pro rata and several basis in accordance with their shareholding proportions. If provision of such third party financing or financial support by the Parties is in excess of the total estimated land costs as stipulated in item (iv) above, the Company shall comply with the applicable Listing Rules where appropriate;
- (viii) a Party shall not, without the consent of the other Party, create or permit to subsist any mortgage, pledge, lien or charge over all or any of its shareholding interests in the JV Company and shall procure the JV Company not to create or permit to subsist any mortgage, pledge, lien or charge over all or any of its shareholding interests in any SP Entity. Transfer of shareholding by a Party in the JV Company will be subject to customary first right of refusal by the other Party; and
- (ix) in a default situation including, among others, breach of material obligations under the Shareholders' Agreement or being in liquidation or insolvency, the non-defaulting Party will have the right to, among others, buy out the shareholding interest of the defaulting Party in the JV Company at a consideration to be determined with reference to the consolidated net assets value of the JV Company together with any SP Entity.

LETTER FROM THE BOARD

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

Profit distribution

The Shareholders' Agreement shall provide that all profits of the JV Company shown in its audited accounts prepared in accordance with the Hong Kong Financial Reporting Standards 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 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, 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 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 and the Parties shall inject their respective portion of fund to the JV Company within three days after the date of the call or demand letter issued by the JV Company. 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. 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 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 the 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 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 and all real properties erected thereon (if any) owned 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.

LETTER FROM THE BOARD

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 upon which the non-defaulting Party shall have the right to terminate the Shareholders' Agreement.

The Shareholders' Agreement shall provide that in the event Mr. Pan ceases to be the controlling Shareholder of the Company, the Company shall have the right to terminate the Shareholders' Agreement.

Provision of Relevant Loan

The Relevant Loan shall be a debt owing by the JV Company 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;
- (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 any outstanding interest accrued thereon shall become and be treated as owing from the JV Company 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 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**").

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.

LETTER FROM THE BOARD

Upon the triggering of event of default by the JV Partner, 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 then internal resources available to the Group; (iii) the cost needed to acquire the Defaulter's Stake; (iv) the amount of development cost already incurred in the Development as well as the construction progress of the Development; and (v) 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.

FINANCIAL EFFECTS OF THE ENTERING INTO OF THE JV AGREEMENT ON THE GROUP

Upon the establishment of the JV Company, the JV Company will become a 60%-owned subsidiary of the Group and its financial results will be consolidated into the results of the Group. It is expected that the formation of the JV Company or any SP Entity as pursuant to the JV Agreement will not have any immediate material impact on the consolidated earnings or consolidated assets or liabilities of the Group, excluding the minority interest of the JV Company or any SP Entity.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT

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

In view of the potential growth of the property market in Hong Kong and the PRC, the Group has been actively identifying suitable land parcels for property development with a view to expand its property segment. During the year, the Company has acquired a land parcel known as Kowloon Inland Lot No. 11257, located at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong, from the HK Government through tender bid, details of which are set out in the circular of the Company dated 18 August 2016. It is the Group's intention to increase its land reserve in Hong Kong as well as to step into the PRC property market in order to diversify its property development and investment portfolio and enhance its income base to generate long-term returns to the Group. As the Company intends to participate in more than one potential Tender in the near future, the Company has decided to form the JV Company which is specifically designated for participation of Tender for the acquisition of Land with a pre-determined maximum aggregated sum of HK\$20 billion such that any funding needs are expected to be readily available when any potential Tender arises, given the rights and obligations of the Parties under the JV Agreement and the Shareholders' Agreement are in place for such financing arrangements. The Directors consider that the formation of the JV Company could

LETTER FROM THE BOARD

facilitate the participation in future Tender by the Company when potential opportunities arise. Since any costs and funding needs arising from any Tender, the acquisition of Land as well as the Development could be shared between the Parties in accordance with their shareholding proportions in the JV Company, the capital commitment required on the part of the Company would be lowered and without such financial constraint, the Company can participate in more potential Tender and engage in more real estate projects to expand the property development and investment portfolio of the Group.

Prior to participating in future Tender, the Company will, after taking into account (i) the capital commitment required for such acquisition of Land and the Development thereon; (ii) the then available internal resources of the Group; and (iii) potential investor(s) approaching the Company to participate in the Tender through joint-venture, if any, and their respective financial strength and backgrounds, determine whether to acquire the Land on its own, through joint-venture with any third parties or through the JV Company. Mr. Pan and his associates shall abstain from such decision-making process given his interest in the JV Company and in the Company. In respect of participation of Tender through joint-venture with third party(ies), the Company will comply with the applicable Listing Rules as and when appropriate.

In connection with the board composition of the JV Company, the Company shall have the right to appoint three directors while Mr. Pan shall have the right to appoint two directors. Mr. Pan will abstain from the decision making process in respect of the appointment of directors by the Company. The board of the JV Company will from time to time assess and make a decision as to the amount of funds required by the JV Company primarily arising from the participation of Tender, and to call for financing from the Parties. It is expected that such internal control measures would serve to ensure that, among other things, (i) both Parties will be called upon for funding at the same time for participation of any Tender and acquisition of Land and both Parties shall be obliged to make their respective contributions within three days from the date of the demand notice served by the board of the JV Company; and (ii) both Parties will provide guarantee or other security such as pledge of assets, as shall be required in respect of external borrowings by the JV Company 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 terms and arrangements under the Shareholders' Agreement will be made in a fair and independent manner.

In view of the financial capability of Mr. Pan, as evidenced by his ranking 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, it is expected that the JV Company could secure sufficient resources and financial support from the Parties for the acquisition of Land and the Development, 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 financial capability of Mr. Pan 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.

The Company has taken into account the financial resources available to the Group for future acquisition of Land and the Development thereon and considers that forming the JV Company with Mr. Pan, instead of participating in such acquisition on a sole basis,

LETTER FROM THE BOARD

can serve to share its part of capital commitment. The Company has also considered alternative methods such as debt and equity financing to obtain necessary funds for the acquisition of Land and the Development. However, debt financing would incur high 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 Mr. Pan. In the event that the joint venture arrangement cannot be proceeded, it is expected that the Company will obtain necessary fund through debt and/or equity financing or by internal resources for the participation of Tender. The Company has not considered forming the JV Company with independent third party(ies) at the initial stage having considered that the length of commitment is significantly long during the course of the Development and the Company may run the potential risk 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. By virtue of Mr. Pan who is the controlling Shareholder of the Company, Mr. Pan is therefore expected to act in the best interest of the Shareholders given his interest in the Company. Taking into consideration that (i) Mr. Pan shall abstain from decision-making process including the funding arrangement and the appointment of board members of the JV Company on the part of the Company; and (ii) the Company shall have the right to terminate the Shareholders' Agreement when Mr. Pan ceases to be the controlling Shareholder of the Company, the Directors (including the independent non-executive Directors) consider that appropriate internal control measures are in place to safeguard the interest of the Company in the JV Company.

Based on the above, the Directors (including the independent non-executive Directors) consider the terms of the JV Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since all the applicable percentage ratios in respect of the formation of the JV Company exceed 25% but are less than 100%, for the purposes of Rule 14.07 of the Listing Rules, the formation of the JV Company constituted a major transaction for the Company under the Listing Rules.

Mr. Pan, being one of the Parties, is the Chairman of the Board, an executive Director and a controlling Shareholder as at the Latest Practicable Date. Mr. Pan 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.

Given that Mr. Pan has a material interest in the JV Agreement, Mr. Pan has not attended the meeting of the Board for approving the JV Agreement.

LETTER FROM THE BOARD

SGM

The SGM will be convened to consider, and if thought fit, to approve 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.

A notice convening the SGM to be held at Edinburgh Room, 2/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on 1 November 2016 at 4 p.m. is set out on pages 38 to 39 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 entering into the JV Agreement**" 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 14 of this circular, the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders set out on pages 15 to 28 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)

14 October 2016

To the Independent Shareholders,

Dear Sir/Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF LAND BY WAY 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 14 October 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 15 to 28 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 13 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

Gao Min

Independent non-executive Directors

* 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 JV Agreement 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

14 October 2016

*To: The Independent Board Committee and the Independent Shareholders
of Goldin Financial Holdings Limited*

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF LAND BY WAY 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, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 14 October 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 5 September 2016, the Company entered into the JV Agreement with Mr. Pan pursuant to which the Parties have agreed to co-operate to acquire, through the JV Company or any SP Entity, any Land from the HK Government or a PRC governmental body through Tender, and engage in the Development of any Land which is successfully acquired by the JV Company or any SP Entity, in a maximum aggregate sum of HK\$20 billion (the “**Transaction**”).

With reference to the Board Letter, the Transaction constitutes a major transaction and connected transaction for the Company under the Listing Rules. Accordingly, the Transaction is subject to the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules. Given that Mr. Pan has a material interest in the JV Agreement, Mr. Pan and his associates will abstain from voting at the SGM for approving the JV Agreement and the transactions contemplated thereunder.

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

LETTER FROM GRAM CAPITAL

resolution(s) to approve the JV Agreement and the 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.

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 JV Agreement. 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 collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein 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, Mr. Pan or their respective subsidiaries (if applicable) 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.

LETTER FROM GRAM CAPITAL

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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the JV Agreement, 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 audited financial information of the Group for each of the two years ended 30 June 2016 as extracted from the Company's annual results announcement for the year ended 30 June 2016 (the "2015/16 Annual Results"):

	For the year ended 30 June 2016	For the year ended 30 June 2015	Year on year change
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Revenue	624,486	573,776	8.84
Profit for the year	1,504,744	2,015,010	(25.32)
	As at 30 June 2016	As at 30 June 2015	Year on year change
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Cash and bank balances	84,854	52,277	62.32
Total Equity	14,444,638	13,153,746	9.81

We noted from the above table that the Group's revenue for the financial year ended 30 June 2016 ("FY2016") was increased by approximately 8.84% as compared to that for the financial year ended 30 June 2015 ("FY2015"). With reference to the 2015/16 Annual Results, the increase of revenue over the previous year was mainly due to the increased revenues generated by the Group's wine trading operations.

The Group also recorded a decrease in profit of approximately 25.32% from approximately HK\$2,015.01 million in FY2015 to approximately HK\$1,504.74 million in FY2016. With reference to the 2015/16 Annual Results, the decrease in profit for FY2016 was mainly due to a lower fair value gain recorded for the Company's investment property under development, the Goldin Financial Global Centre, compared with that for last financial year.

LETTER FROM GRAM CAPITAL

As set out in the above table, as at 30 June 2016, the Group recorded (i) cash and bank balances of approximately HK\$84.85 million, representing an increase of approximately 62.32% from FY2015 to FY2016; and (ii) total equity of approximately HK\$14,444.64 million, representing an increase of approximately 9.81% from FY2015 to FY2016.

Information on Mr. Pan

Mr. Pan is the Chairman of the Board, an executive Director and the controlling Shareholder. With reference to the Company's annual report for the year ended 30 June 2015, 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.

We noted from the Hong Kong's 50 Richest People as published in 2016 by Forbes, a financial magazine well-known for its lists, that Mr. Pan was ranked among the top ten of the richest people in Hong Kong based on individual net worth. 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).

Reasons for and benefits of entering into the JV Agreement

With reference to the Board Letter, in view of the potential growth of the property markets in Hong Kong and the PRC, the Group has been actively identifying suitable land parcels for property development with a view to expand its property segment. During the year, the Company has acquired a land parcel known as Kowloon Inland Lot No. 11257, located at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong, from the HK Government through tender bid, details of which are set out in the circular of the Company dated 18 August 2016. It is the Group's intention to increase its land reserve in Hong Kong as well as to step into the PRC property market in order to diversify its property development and investment portfolio and enhance its income base to generate long-term returns to the Group (the "**Group's Intention**").

Set out below are the industry overview of the property market in Hong Kong and the PRC respectively:

Hong Kong

With reference to the Hong Kong Property Review 2016 published by the Rating and Valuation Department, the compound annual growth rate ("**CAGR**") of the rental indices and price indices of private domestic by class (territory-wide) from 2011 to 2015 were approximately 6.6% and 13.0% respectively. In addition, the CAGR of the rental indices and price indices for all districts of private offices from 2011 to 2015 were approximately 7.5% and 10.8% respectively, and the CAGR of the price indices for Grade A offices in core districts from 2011 to 2015 was approximately 4.5%.

Despite that the Hong Kong Government adopted policies/measures to restrict property speculations in the past few years, including the revision in the

LETTER FROM GRAM CAPITAL

mortgage insurance programme, implementation of Special Stamp Duty, Buyer Stamp Duty and the new ad valorem stamp duty rates, the rise in property prices and rents in the past few years have not been dampened by such government regulations.

The PRC

According to the national land price index (the “**National LPI**”) released by China Urban Land Price Dynamic Monitor, the CAGR of the National LPI of integrated use, commercial use, residential use and industrial use from 2011 to 2015 were 6.0%, 5.5%, 6.2% and 5.8% respectively. In addition, with reference to National Bureau of Statistics of China, the CAGR of price per sq. m. of residential use and commercial business use from 2011 to 2014 were 5.9% and 5.0% respectively.

In addition, with reference to the news published by Knight Frank Hong Kong, being one of the leading providers of property-related services in Hong Kong and the PRC, regarding the Mainland China and Hong Kong property market 2016 forecasts on 10 December 2015, the Head of Research & Consultancy of Greater China at Knight Frank states that he is optimistic about the outlook for the Mainland Chinese property market as housing inventory lowers and completion levels stabilise. Meanwhile the best-performing cities are expected to be among the first-tier cities. Cities along the “One Belt One Road” route, in particular, are also likely to see promising development benefitting from policy support. He also expects mass residential prices in first-tier cities to increase by 5-8% in 2016 due to solid demand, while mass residential prices in second-tier cities to increase by 1-4% in the same year.

In light of the above statistics of the property market in Hong Kong and the PRC respectively, we concur with the Directors that the property markets in Hong Kong and the PRC are generally positive.

With reference to the Board Letter, as the Company intends to participate in more than one potential Tender in the near future, the Company has decided to form the JV Company which is specifically designated for participation of Tender for the acquisition of Land with a pre-determined maximum aggregated sum of HK\$20 billion such that any funding needs are expected to be readily available when any potential Tender arises, given the rights and obligations of the Parties under the JV Agreement and the Shareholders’ Agreement are in place for such financing arrangements. The Directors consider that the formation of the JV Company could facilitate the participation in future Tender by the Company when potential opportunities arise. Since any costs and funding needs arising from any Tender, the acquisition of Land as well as the Development could be shared between the Parties in accordance with their shareholding proportions in the JV Company, the capital commitment required on the part of the Company would be lowered and without such financial constraint, the Company can participate in more potential Tender and engage in more real estate projects to expand the property development and investment portfolio of the Group (the “**Advantage of Formation of JV**”).

Prior to participating in future Tender, the Company will, after taking into account (i) the capital commitment required for such acquisition of Land and the Development thereon; and (ii) the then available internal resources of the Group; and (iii) potential investor(s) approaching the Company to participate in the Tender

LETTER FROM GRAM CAPITAL

through joint-venture, if any, and their respective financial strength and backgrounds, determine whether to acquire the Land on its own, through joint-venture with any third parties or through the JV Company. Mr. Pan and his associates shall abstain from such decision-making process given his interest in the JV Company and in the Company. In respect of participation of Tender through joint-venture with third party(ies), the Company will comply with the applicable Listing Rules as and when appropriate.

In connection with the board composition of the JV Company, the Company shall have the right to appoint three directors while Mr. Pan shall have the right to appoint two directors. Mr. Pan will abstain from the decision making process in respect of the appointment of directors by the Company. The board of the JV Company will from time to time assess and make a decision as to the amount of funds required by the JV Company primarily arising from the participation of Tender, and to call for financing from the Parties. It is expected that such internal control measures would serve to ensure that, among other things, (i) both Parties will be called upon for funding at the same time for participation of any Tender and acquisition of Land and both Parties shall be obliged to make their respective contributions within three days from the date of the demand notice served by the board of the JV Company; and (ii) both Parties will provide guarantee or other security such as pledge of assets, as shall be required in respect of external borrowings by the JV Company 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 terms and arrangements under the Shareholders' Agreement will be made in a fair and independent manner.

In view of the financial capability of Mr. Pan which was set out under the section headed "Information on Mr. Pan" in this letter, it is expected that the JV Company could secure sufficient resources and financial support from the Parties for the acquisition of Land and the Development, 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.

Having considered (i) the Hong Kong's 50 Richest People as published in 2016 by Forbes; and (ii) that Mr. Pan was the controlling Shareholders of both the Company and Goldin Properties Holdings Limited (stock code: 283), we have no doubt on the financial capability of Mr. Pan.

The Company has taken into account the financial resources available to the Group for future acquisition of Land and the Development thereon and considers that forming the JV Company with Mr. Pan, instead of participating in such acquisition on a sole basis, can serve to share its part of capital commitment. The Company has also considered alternative methods such as debt and equity financing to obtain necessary funds for the acquisition of Land and the Development. However, debt financing would incur high 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 Mr. Pan. In the event that the joint venture arrangement cannot be proceeded, it is expected that the Company will obtain fund through debt and/or equity financing or by internal resources for the participation of Tender. The Company has not

LETTER FROM GRAM CAPITAL

considered forming the JV Company with independent third party(ies) at the initial stage having considered that the length of commitment is significantly long during the course of the Development and the Company may run the potential risk 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.

With reference to the Board Letter, by virtue of Mr. Pan who is the controlling Shareholder of the Company, Mr. Pan is therefore expected to act in the best interest of the Shareholders given his interest in the Company. Having also taking into consideration of (i) that Mr. Pan is the executive Director; and (ii) the directors' duties as set out under the Listing Rules, including to act honestly and in good faith in the interests of the company as a whole, we have no doubt on whether Mr. Pan will act in the best interest of the Shareholders as a whole.

Having taken into account (i) the Group's Intention; (ii) the positive trend of the property markets in Hong Kong and the PRC; (iii) the Advantage of Formation of JV; (iv) that 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; (v) the background of Mr. Pan, including (a) his financial capability; (b) his position and duties in the Group; and (c) his experience in property development as mentioned in the above section headed "Information on Mr. Pan" of this letter; and (vi) the 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 or participating in future Tender on a sole basis and by alternative financing, we concur with the Directors that the entering into of the JV Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

B. Principal terms of the JV Agreement

Date

5 September 2016

Parties

- (1) the Company; and
- (2) Mr. Pan

Formation of the JV Company

Upon the JV Agreement becoming unconditional, the Parties shall incorporate and establish the JV Company in Hong Kong or elsewhere in accordance with the terms of the JV Agreement such that it will be owned as to 60% by the Company and as to 40% by Mr. Pan. Pursuant to the JV Agreement, the business scope of the JV Company will be to participate in Tender for the acquisition of Land in accordance with the relevant requirements specified by the HK Government or a PRC Governmental Body, if the Tender is successful, to take up the lease of the Land and undertake the Development by funding the same in accordance to their shareholding proportions.

LETTER FROM GRAM CAPITAL

The Parties shall, prior to participating in any Tender, agree on the maximum price which the JV Company or the SP Entity is prepared to pay for the identified Land. All costs and expenses incurred in connection with the Tender shall be borne by the Parties in accordance with their respective shareholding proportion, irrespective of whether the Tender is successful or not. The total estimated land cost for the Tender shall be in an aggregate sum of HK\$20 billion, which was determined after arm's length negotiation between the Company and Mr. Pan, taking into account (i) the potential cost for future Tender; and (ii) the past experience of the management of the Company with regards to land bidding and the undertaking of property development projects. The Company will fund the JV Company according to its shareholding interest in the JV Company by internal resources and/or other borrowings.

As at the Latest Practicable Date, the Company has been considering certain parcel of lands open for public tender by the HK Government with reference to the land sale programme published by the Lands Department. The Company intends to participate in the tender to acquire the potential target by way of establishment of the JV Company. Should the potential acquisition materialises, the Company will comply with the relevant Listing Rules requirement as and when appropriate.

Tender Deposit

The Parties shall make contribution as a deposit (the "**Tender Deposit**") for the Tender in the amounts according to their respective shareholding proportion in the JV Company on a timely basis. In the event that the Tender is not successful, the Parties shall use their best endeavours to continue to review and assess the possibility of participating in any other Tender. The JV Agreement provides that any Tender Deposit made for the unsuccessful Tender will be (i) applied as deposit for participating in other Tender; (ii) refunded to the Parties in accordance with their shareholding proportions in the JV Company; or (iii) dealt with in such a manner as may be agreed between the Parties for the purpose for which the JV Company will be established for other Tender.

Conditions precedent

The JV Agreement shall take effect and be conditional upon the Company obtaining the Independent Shareholders' approval at the SGM for the terms of the JV Agreement and the transactions contemplated thereunder. Pursuant to the JV Agreement, the JV Company will be formed and any SP Entity established will be wholly owned by the JV Company. The Company will establish such joint venture arrangement with the JV Partner to form JV Company(ies) for engagement in acquisition and development of Land(s). If the Company needs to form another joint venture under terms and conditions different from those as contemplated under the JV Agreement, the Company will comply with relevant Listing Rules requirement and seek Independent Shareholders' approval as and when appropriate.

Shareholders' Agreement

If the Tender is successful, the Parties shall as soon as practicable enter into or procure their respective Affiliates to enter into a Shareholders' Agreement of the JV Company to regulate the rights and obligations of the Parties or their respective Affiliates. The Parties shall do all acts, deeds or things and execute all documents as may be necessary, desirable or expedient for the attainment of, or to give effect to, the Shareholders' Agreement.

LETTER FROM GRAM CAPITAL

The Shareholders' Agreement shall contain, among others:

- (i) the Parties will share all the costs and expenses associated with the establishment and operations, profit and loss of the JV Company in accordance with their shareholding proportions;
- (ii) the Parties shall, either directly or through their respective Affiliates, contribute equity and/or other financial support (including additional equity, shareholders' or bank loans and/or guarantees) to the JV Company in their shareholding proportions;
- (iii) the directors of the JV Company shall be appointed by the Parties in accordance with their shareholding proportions; and
- (iv) in a default situation including, among others, breach of material obligations under the Shareholders' Agreement or being in liquidation or insolvency, the non-defaulting Party will have the right to, among others, buy out the shareholding interest of the defaulting Party in the JV Company at a consideration to be determined with reference to the consolidated net assets value of the JV Company together with any SP Entity.

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

Profit distribution

The Shareholders' Agreement shall provide that all profits of the JV Company shown in its audited accounts prepared in accordance with the Hong Kong Financial Reporting Standards 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 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, 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 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 and the Parties shall inject their respective portion of fund to the JV Company within three days after the date of the call or demand letter issued by the JV Company. 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. 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

LETTER FROM GRAM CAPITAL

“**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 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 the 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 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 and all real properties erected thereon (if any) owned 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.

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 upon which the non-defaulting Party shall have the right to terminate the Shareholders’ Agreement.

Provision of Relevant Loan

The Relevant Loan shall be a debt owing by the JV Company 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;
- (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 any outstanding interest accrued thereon shall become and be treated as owing from the JV Company 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.

LETTER FROM GRAM CAPITAL

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 "**Repayment Period**"), 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 completion time for the development of the Land is expected to be over six months since the commencement of the Development, we consider the Repayment Period to be reasonable.

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 then internal resources available to the Groups; (iii) the cost needed to acquire the Defaulter's Stake; (iv) the amount of development cost already incurred in the Development as well as the construction progress of the Development; and (v) 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.

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;

LETTER FROM GRAM CAPITAL

- (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" of the Board Letter 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 measure the fair value of the Land and all real properties erected thereon (if any) owned 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;
- (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
- (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, 22 notifiable and/or connected transactions in relation to the formation of joint venture entered into by the companies listed on the Stock Exchange, from 6 July 2016 up to the date of the JV Agreement, being approximate two months period before entering into the JV

LETTER FROM GRAM CAPITAL

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 the formation of joint venture entered into by the companies listed on the Stock Exchange.

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

- (i) save for one Comparable Transaction, none of the Comparable Transactions contains term on capital commitment which is not in proportion to the respective interest of each of the parties in the joint venture;
- (ii) the rights of appointment of directors of each of the parties to the transactions under 13 Comparable Transactions are based on the proportion of their respective interest in the joint venture (no relevant information was disclosed in two Comparable Transactions); and
- (iii) save for one Comparable Transaction, 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.

Having considered the above factors, we are of the view that the above major 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.

C. Financial effects of the entering into of the JV Agreement on the Group

With reference to the Board Letter, upon the establishment of the JV Company, the JV Company will become a 60%-owned subsidiary of the Group and its financial results will be consolidated into the results of the Group. It is expected that the formation of the JV Company or any SP Entity as pursuant to the JV Agreement will not have any immediate material impact on the consolidated earnings or consolidated assets or liabilities of the Group, excluding the minority interest of the JV Company or any SP Entity.

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 the completion.

LETTER FROM GRAM CAPITAL

RECOMMENDATION ON THE JV AGREEMENT

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 conducted in the ordinary and usual course of business of the Group and 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, 2015 and 2016 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);
- interim report of the Company for the six months ended 31 December 2015 (pages 22 to 46); and
- announcement of annual results of the Company for the year ended 30 June 2016.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 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\$9,402,552,000 comprising (i) secured bank loans of HK\$9,317,217,000; (ii) unsecured bank loans of HK\$2,190,000; (iii) unsecured bank overdraft of HK\$586,000; and (iv) unsecured and unguaranteed loan from a related company of HK\$82,559,000.

The secured bank loans were (i) secured by mortgages over the entire share capitals 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\$263,000 was guaranteed by a third party who is one of the beneficial shareholders of the former non-controlling interest.

As at the close of business on 31 August 2016, the Group pledged its land use rights and properties located in Guangzhou and Tianjin for obtaining a banking facility which was under application.

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 31 August 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 in the above section headed “2. Indebtedness Statement” included secured bank borrowings of HK\$6,125,608,000 and HK\$3,191,609,000 due for repayment in December 2016 and March 2017, respectively. As at the circular date, the Group is in the process of arranging the refinancing of the secured bank borrowings upon the maturities and application for additional new bank facilities. The Directors believe that the discussions on the financing arrangements with the Group’s principal bankers for all of these bank loans are at an advanced stage, and the conclusion of the financing is forthcoming. 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 secured bank loans and additional new bank financing.

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 company, and the intended refinancing of the existing bank facilities upon maturities and additional new bank financing, the Group will have sufficient working capital for its business for at least 12 months from the date of the 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 2016, 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. During the year, the Group has succeeded

in the tender for a land parcel known as Kowloon Inland Lot No. 11257, situated at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong, from the HK Government, which will be planned and developed into private residential properties for sale. The Group envisages potential growth opportunities in the property market in Hong Kong and the PRC and considers that the formation of the JV Company under the JV Agreement would facilitate the pooling of funds for large-scale property projects. As such, the Group is with a view to expand its property development and investment portfolio by constant assessment and evaluation to identify suitable land parcel of quality situated at prime locations for future development and to broaden its income stream.

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 2016 (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 Gold Topmont Limited ("**Gold Topmont**"), a wholly-owned subsidiary of the Company, 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 Gold Topmont, 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 dated 30 March 2016 entered into between Gold Topmont and the HK Government for the acquisition of a land parcel known as Kowloon Inland Lot No. 11257, located at Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong, at a consideration of approximately HK\$6,381.22 million;
- (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;
- (i) the agreement dated 30 June 2016 entered into between Gold Faith Global Limited, a wholly-owned subsidiary of the Company, and Chariot Power Investments Limited, a company wholly-owned by Mr. Pan, in relation to the formation of a joint venture; and
- (j) the JV Agreement.

8. EXPERT AND CONSENT

The following is the qualifications of the expert who had given their opinion and 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

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of the text of its letter and/or the references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Gram Capital 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, Gram Capital 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 2016, 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 14 of this circular;
- (e) the letter of advice from Gram Capital as set out on pages 15 to 28 of this circular;
- (f) the written consent referred to in the paragraph under the heading "**Expert and Consent**" in this appendix;
- (g) the material contracts referred to in the paragraph under the heading "**Material Contracts**" in this appendix;
- (h) the circular of the Company dated 18 August 2016 in relation to a connected transaction of the Company; 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 Edinburgh Room, 2/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on 1 November 2016 at 4 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 5 September 2016 (the “JV Agreement”) entered into between the Company and Mr. Pan Sutong (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, 14 October 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) 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.
- (5) 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.