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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)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF LAND USE RIGHT IN HONG KONG BY A JOINT VENTURE

THE MEMORANDUM OF AGREEMENT

On 14 November 2018, the Tenderer received the Acceptance Letter regarding the Tender submitted for the land use right over the Land Parcel at the bidding price of approximately HK\$8,906.76 million. On 27 November 2018, the Memorandum of Agreement has been executed by the Tenderer and returned to the HK Government. On 13 December 2018, the Premium less the Tender deposit has been settled by the Tenderer.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company for the purposes of Rule 14.07 of the Listing Rules. As the Group's principal businesses include property development, the Company is regarded as a "Qualified Issuer" and the Acquisition is regarded as a "Qualified Property Acquisition" under Rule 14.04(10B) and (10C) of the Listing Rules. Accordingly, the Acquisition is subject to reporting and announcement requirements but is exempt from Shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

The Tenderer is a wholly-owned subsidiary of Gold Flair, which is in turn a wholly-owned subsidiary of Golden Sphere. Golden Sphere is owned as to 60% indirectly by the Company and as to 40% by Gold Vibe, a company wholly owned by Mr. Pan who is the Chairman of the Board, an executive Director and the controlling Shareholder as at the date of this announcement. Mr. Pan is therefore a connected person of the Company under the Listing Rules and the Acquisition also constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules. The Company has sought advance mandate from the Independent Shareholders at the special general meeting held on 1 November 2016 in respect of the JV Agreement regarding the tender(s) for land by way of joint venture(s) with Mr. Pan up to an aggregate value of HK\$20 billion. As the formation of Golden Sphere and the Tenderer and the Acquisition are in accordance with the terms of the JV Agreement and within the aforesaid mandate, no further approval is required from the Independent Shareholders for the Acquisition.

GENERAL

As more time is needed for the Company to prepare the financial information of the Group as required under Rule 14.66 of the Listing Rules, the circular containing, among other things, (i) details of the Acquisition; and (ii) financial information of the Group will not be able to be despatched to the Shareholders within 15 Business Days from the date of this announcement as is otherwise required under the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 24 January 2019.

INTRODUCTION

Reference is made to the Tender Announcement in relation to the receipt of the Acceptance Letter informing the Tenderer that the Tender submitted for the Land Parcel at a bidding price of approximately HK\$8,906.76 million has been accepted by the HK Government. As stated in the Tender Announcement, a memorandum of agreement is expected to be entered into between the Tenderer and the HK Government within fourteen days of the date of the Acceptance Letter.

On 27 November 2018, the Tenderer signed the Memorandum of Agreement and delivered the same to the HK Government. On 13 December 2018, the Premium less the Tender deposit has been settled by the Tenderer. The Tenderer will obtain possession of the Land Parcel from the HK Government after full settlement of the Premium.

THE ACQUISITION

Asset to be acquired

The Land Parcel covers a total site area of approximately 9,708 sq. m. located at Kai Tak Area 4B Site 4, Kai Tak, Kowloon. The land use of the Land Parcel is specifically designated for private residential purpose. The minimum and maximum developable gross floor area of the Land Parcel is 32,037 sq. m. and 53,394 sq. m. respectively. The grant of the Land Parcel shall be for a term of fifty years commencing from the date of the Memorandum of Agreement. Pursuant to the Memorandum of Agreement, the Tenderer shall develop the Land Parcel into building or buildings which shall be completed and made fit for occupation on or before 30 September 2024.

Premium and payment terms

The Premium amounted to approximately HK\$8,906.76 million and shall be settled by the Tenderer in the following manner:

- (i) as to HK\$25.00 million as a non-refundable Tender deposit, payable at the time of submission of the Tender and shall be applied towards partial payment of the Premium; and
- (ii) as to the remaining balance of approximately HK\$8,881.76 million, payable within twenty-eight days of the date of the Acceptance Letter.

As at the date of this announcement, the Premium has been settled by the Tenderer. The Premium, being the bidding price submitted by the Tenderer under the Tender, was determined by the Directors based on their views regarding prevailing and prospective property market in Hong Kong.

Other terms

Pursuant to the Memorandum of Agreement, an annual rent of an amount equal to 3% of the rateable value from time to time of the Land Parcel shall be charged to the Tenderer for a term of fifty years commencing from the date of the Memorandum of Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Directors consider the Land Parcel is located at a strategic location, which is in the center of Kai Tak Development and will be served by the future Shatin to Central Link-Kai Tak MTR Station, and is of good development potential. Considering the growing population and the continued growth in demand for residential units in Hong

Kong, the Directors believe the residential property market is an attractive area for investment to provide long-term growth for the Group. The Directors consider that the Acquisition is in line with the business strategy of the Group and would build up the Group's land portfolio for its property development business, thereby increasing Shareholders' value.

Based on the above, the Directors consider the Acquisition is in the Group's ordinary and usual course of business, the terms of the Memorandum of Agreement are fair and reasonable and are on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company for the purposes of Rule 14.07 of the Listing Rules. As the Group's principal businesses include property development, the Company is regarded as a "Qualified Issuer" and the Acquisition is regarded as a "Qualified Property Acquisition" under Rule 14.04(10B) and (10C) of the Listing Rules. Accordingly, the Acquisition is subject to reporting and announcement requirements but is exempt from Shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

The Tenderer is a wholly-owned subsidiary of Gold Flair, which is in turn a wholly-owned subsidiary of Golden Sphere. Golden Sphere is owned as to 60% indirectly by the Company and as to 40% by Gold Vibe, a company wholly owned by Mr. Pan who is the Chairman of the Board, an executive Director and the controlling Shareholder as at the date of this announcement. Mr. Pan is therefore a connected person of the Company under the Listing Rules and the Acquisition also constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules. As disclosed in the announcement of the Company dated 5 September 2016, the Company entered into the JV Agreement with Mr. Pan, pursuant to which the parties agreed to form special purpose entities, which will be owned as to 60% and 40% by the Company and Mr. Pan respectively, for the purpose of participating in tender(s) for land acquisition(s) in accordance with the relevant requirements specified by the HK Government or a PRC Governmental Body (as defined in the Listing Rules) up to an aggregate value of HK\$20 billion. Formation of any special purpose entities shall be governed by the terms of the JV Agreement. The Company has sought advance mandate from the Independent Shareholders at a special general meeting held on 1 November 2016 in respect of the JV Agreement. As the formation of Golden Sphere and the Tenderer and the Acquisition are in accordance with the terms of the JV Agreement and within the aforesaid mandate, no further approval is required from the Independent Shareholders for the Acquisition. For details regarding the business scope and status of the special purpose entities to be formed under the JV Agreement, the dividend and distribution policy as well as financial and capital commitment, which are applicable to Gold Sphere and the Tenderer, please refer to the circular of the Company dated 14 October 2016.

GENERAL

As more time is needed for the Company to prepare the financial information of the Group as required under Rule 14.66 of the Listing Rules, the circular containing, among other things, (i) details of the Acquisition; and (ii) financial information of the Group will not be able to be despatched to the Shareholders within 15 Business Days from the date of this announcement as is otherwise required under the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 24 January 2019.

DEFINITIONS

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

“Acceptance Letter”	the letter of acceptance dated 14 November 2018 issued by the Lands Department of the HK Government to the Tenderer, confirming the acceptance of the Tender submitted by the Tenderer
“Acquisition”	the acquisition of the land use right over the Land Parcel as contemplated under the Memorandum of Agreement
“Board”	the board of Directors
“Business Day(s)”	a day(s) (other than a Saturday or Sunday) on which commercial banks in Hong Kong and the PRC are open for general business
“BVI”	the British Virgin Islands
“Company”	Goldin Financial Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 530)
“Director(s)”	the director(s) of the Company
“Gold Flair”	Gold Flair Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Golden Sphere
“Gold Vibe”	Gold Vibe Holdings Limited, a company incorporated in the BVI with limited liability and is wholly owned by Mr. Pan
“Golden Sphere”	Golden Sphere Developments Limited, a company incorporated in the BVI with limited liability and is owned indirectly as to 60% by the Company and as to 40% by Gold Vibe respectively

“Group”	the Company and its subsidiaries
“HK Government”	the government of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	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
“Land Parcel”	the piece of land parcel known as New Kowloon Inland Lot No. 6591, located at Kai Tak Area 4B Site 4, Kai Tak, Kowloon, Hong Kong with a total site area of approximately 9,708 sq. m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement to be executed by the Tenderer and the HK Government in respect of the land use right over the Land Parcel
“Mr. Pan”	Mr. Pan Sutong, the Chairman of the Board, an executive Director and the controlling Shareholder as at the date of this announcement
“Premium”	the premium payable by the Tenderer to the HK Government for the Land Parcel
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the tender bid for the acquisition of the Land Parcel
“Tender Announcement”	the announcement of the Company dated 14 November 2018 in relation to the receipt of the Acceptance Letter
“Tenderer”	Rich Fast International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Golden Sphere
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“sq. m.” square metre(s)

“%” per cent.

By Order of the Board
Goldin Financial Holdings Limited
高銀金融(集團)有限公司*
Pan Sutong
Chairman

Hong Kong, 13 December 2018

As at the date of this announcement, the Board comprises Mr. Pan Sutong (Chairman), Professor Huang Xiaojian and Mr. Zhou Xiaojun as the executive Directors; and Hon. Shek Lai Him Abraham (GBS, JP), Ms. Hui Wai Man, Shirley, Mr. Tang Yiu Wing and Ms. Gao Min as the independent non-executive Directors.

* *For identification purpose only*