

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF A 40% EQUITY INTEREST IN GOLDEN SPHERE DEVELOPMENTS LIMITED AND RELEVANT SHAREHOLDER'S LOAN

THE ACQUISITION

The Board announces that on 16 April 2019, the Purchaser, the Vendor and Mr. Pan (as the Vendor's guarantor) entered into the Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Shares (representing 40% of the issued share capital of the Target) and the Sale Loan at the Initial Consideration of HK\$2,162,269,799 (subject to adjustment). Following Completion, the Target shall become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the Vendor is beneficially and wholly owned by Mr. Pan who is the Chairman of the Board, an executive Director and the controlling Shareholder, the Acquisition also constitutes a connected transaction of the Company which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Given that Mr. Pan has a material interest in the Agreement, he had abstained from voting at the Board meeting on the resolution(s) approving the Agreement and the transactions contemplated thereunder pursuant to the Listing Rules and the bye-laws of the Company.

The SGM will be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. Mr. Pan and his associates (as defined under the Listing Rules) who are interested in 4,939,984,634 Shares shall abstain from voting on the resolution(s) approving the Agreement and the transactions contemplated thereunder at the SGM.

The IBC which comprises all the independent non-executive Directors has been formed to give recommendations to the Independent Shareholders and the IFA shall be appointed to advise the IBC and the Independent Shareholders as to whether the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and as to how to vote on the Agreement and the transactions contemplated thereunder at the SGM.

GENERAL

A circular containing, among other things, (i) details of the Agreement; (ii) the valuation report on the Land Parcel; (iii) the letter of recommendation from the IBC; (iv) the letter of advice from the IFA; and (v) the notice of the SGM is expected to be despatched to the Shareholders on or before 10 May 2019.

Reference is made to the announcements of the Company dated 14 November 2018 and 13 December 2018 in relation to the acquisition of land use right relating to the Land Parcel by Rich Fast. Rich Fast is an indirect wholly-owned subsidiary of the Target. The Target is in turn a joint venture owned as to 60% by the Purchaser (which is a wholly-owned subsidiary of the Company) and 40% by the Vendor (which is a company wholly and beneficially owned by Mr. Pan) respectively. The Board is pleased to announce that on 16 April 2019, the Purchaser, the Vendor and Mr. Pan (as the Vendor's guarantor) entered into the Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Shares (representing 40% of the issued share capital of the Target) and the Sale Loan at the Initial Consideration of HK\$2,162,269,799 (subject to adjustment). Following Completion, the Target shall become an indirect wholly-owned subsidiary of the Company. The principal terms of the Agreement are set out below.

THE AGREEMENT

Date

16 April 2019

Parties

- (i) The Purchaser, a wholly-owned subsidiary of the Company;
- (ii) the Vendor; and
- (iii) Mr. Pan, as the Vendor's guarantor.

The Vendor is a company beneficially and wholly owned by Mr. Pan, who is the Chairman of the Board, an executive Director and the controlling Shareholder. Accordingly, the Vendor and Mr. Pan are connected persons of the Company under the Listing Rules. Mr. Pan guaranteed to the Purchaser the performance by the Vendor of its obligations under the Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is principally engaged in investment holding.

Assets to be acquired

Pursuant to the Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell:

- (i) the Sale Shares, being four ordinary shares of the Target, representing 40% of the issued share capital of the Target as at the date of the Agreement and as at Completion; and
- (ii) the Sale Loan, being the entire amount of the principal, interest (if any) and other sums and indebtedness due, owing or payable to the Vendor by the Target Group as at Completion.

The Sale Shares and the Sale Loan shall be acquired by the Purchaser free from all encumbrances and with all rights attaching thereto as at the date of Completion. As at 31 January 2019, the Sale Loan amounted to HK\$2,137,903,555 (the "**Initial Sale Loan**").

Consideration

The consideration for the Sale Shares and the Sale Loan shall be the Initial Consideration which is HK\$2,162,269,799, subject to adjustments in accordance with the Agreement as described below, and shall, subject to the terms of the Agreement, be satisfied in cash in the following manner at Completion by the Purchaser to the Vendor:

- (i) the Initial Consideration after either (a) adding the amount equal to the excess of the amount of the Sale Loan over the amount of the Initial Sale Loan if the amount of the Sale Loan exceeds the amount of the Initial Sale Loan; or (b) deducting the amount equal to the excess of the amount of the Initial Sale Loan over the amount of the Sale Loan if the amount of the Sale Loan is less than the amount of the Initial Sale Loan; and

- (ii) an amount equal to 8% per annum on the Sale Loan calculated on a 365-day basis for the period from 1 February 2019 (or, as the case may be, if such portion of the Sale Loan is advanced after 31 January 2019, from the date on which such portion of the Sale Loan is advanced to the Target Group) up to and including the Completion Date.

The Initial Consideration was determined after arm's length negotiations between the Purchaser and the Vendor based on the face value of the Initial Sale Loan plus interest on the Initial Sale Loan up to 31 January 2019 calculated at the interest rate of 8% per annum. The interest rate of 8% per annum on the Initial Sale Loan was determined with reference to the cost of borrowings of the Group and the availability of security for such borrowings.

The Group intends to finance the consideration for the Sale Shares and the Sale Loan by internal resources of the Group.

Conditions

Completion shall be subject to and conditional upon the following:

- (i) compliance with all applicable notification, reporting, announcement and (if applicable) independent shareholders' approval requirements under the Listing Rules relating to the Agreement and the transactions contemplated thereunder by the Company;
- (ii) the Purchaser being reasonably satisfied that all representations, warranties and undertakings of the Vendor contained in the Agreement remain true and correct in all material respects;
- (iii) the Purchaser being reasonably satisfied that the Vendor has complied with the undertakings contained in the Agreement in all material respects; and
- (iv) all consents, approvals and/or authorisations of financial institutions, finance parties, relevant business partners or third parties, government or regulatory authorities which are necessary in connection with the transfer of the Sale Shares and the assignment of the Sale Loan under the Agreement having been obtained, and if subject to conditions, on such conditions acceptable to the Purchaser, and such consents, approvals and authorisation remaining in full force and effect and not being revoked at Completion.

The Purchaser may in its absolute discretion waive in writing any of the conditions except condition in (i) above. If the conditions above (other than the conditions in (ii) to (iv) above which can be fulfilled or waived at or before Completion) are not fulfilled or waived (as the case may be) by 15 October 2019 (or other date as may be agreed by the Vendor and the Purchaser in writing), all rights and obligations of the parties to the Agreement shall cease and terminate and no party shall have claim against the others.

Completion

Completion shall take place on the day which is within five Business Days after all the conditions above have been fulfilled or waived (as the case may be) (save that conditions set out in (ii) to (iv) above can be fulfilled or waived at or before Completion), or such other date as the Vendor and the Purchaser may agree in writing.

INFORMATION ABOUT THE TARGET GROUP

As at the date of this announcement, the Target is owned as to 60% by the Purchaser and as to 40% by the Vendor. The Target holds 100% of the equity interest in Gold Flair which in turn holds 100% of the equity interest in Rich Fast. The Target and Gold Flair are investment holding companies while the principal asset of Rich Fast is the Land Parcel. Other than their respective investments in Gold Flair, Rich Fast and the Land Parcel, members of the Target Group does not have any other material assets.

As disclosed in the announcements of the Company dated 14 November 2018 and 13 December 2018, the Land Parcel was acquired by Rich Fast through the Tender submitted to the HK Government at the Premium of approximately HK\$8,906.76 million. The Land Parcel covers a total site area of approximately 9,708 sq.m. and is 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 GFA of the Land Parcel is 32,037 sq.m. and 53,394 sq.m. respectively. The grant of the Land Parcel is for a term of fifty years commencing from the date of the Memorandum of Agreement (i.e. 18 December 2019). Pursuant to the Memorandum of Agreement, Rich Fast shall develop the Land Parcel into building or buildings which shall be completed and made fit for occupation on or before 30 September 2024. As at the date of this announcement, Rich Fast has yet to finalise a concrete plan for the development of the Land Parcel. Professional parties and consultants have been appointed for the preparation of construction plans of the development. It is anticipated that the development works will commence by the end of 2019 and complete in late 2023.

The payment of the Premium was financed by shareholders' loans from the Purchaser and the Vendor in proportion to their respective shareholding percentage in the Target and bank borrowings.

The original acquisition costs of the Sale Shares and the Sale Loan to the Vendor were approximately HK\$2,137.90 million.

The unaudited consolidated net liabilities of the Target Group as at 31 January 2019 were approximately HK\$1.98 million. The Target Group recorded net loss (both before and after tax) of approximately HK\$1.98 million during the period from 10 September 2018

(the date of incorporation of the Target) to 31 January 2019, which was principally the fees and expenses for the arrangement of the bank loan taken out to finance partially the Premium.

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.

As disclosed in the circular of the Company dated 24 June 2018, the Group entered into sale and purchase agreements to dispose of its majority interests in two residential property development projects in Ho Man Tin and acquire the remaining 40% interest in the commercial property in Kowloon Bay known as Goldin Financial Global Centre. After completion of the above transactions which is expected to take place shortly, the Group will hold a 100% interest in Goldin Financial Global Centre for investment purpose and will no longer hold any interest in the two residential property development projects in Ho Man Tin. Considering the growing population and the continued growth in demand for residential units in Hong Kong, the Group is eager to replenish its land portfolio for its property development business.

In November 2018, the Group, through Rich Fast, successfully tendered for the Land Parcel from the HK Government. The Land Parcel is located at strategic location, which is in the centre 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. As indicated by Knight Frank, an independent professional valuer, the preliminary valuation of the Land Parcel is approximately HK\$9,250 million as at 22 March 2019, representing an appreciation of approximately 3.9% over the Premium paid for the Land Parcel under the Tender. The potential of the Land Parcel is further demonstrated by the tender price of an adjacent parcel of land for residential use in January 2019 of over HK\$186,000 per sq. m. of GFA, as compared with the Group's acquisition cost of the Land Parcel of approximately HK\$167,000 per sq. m. of GFA. Given the limited future supply and strong appreciation potential of land parcels in Kai Tak Development, the Directors believe the Land Parcel is an attractive investment to provide long-term growth prospects for the Group and it will be in the interest of the Company to consolidate the entire interest in the Land Parcel and take full control of its development and enjoy the full development profit and future appreciation potential of the Land Parcel. Accordingly, the Group proposed to the Vendor to acquire the remaining 40% interest in the Land Parcel by acquiring the Sale Shares. Following Completion, members of the Target Group will become indirect wholly-owned subsidiaries of the Company.

Having considered (i) the development potential of the Land Parcel as described above; (ii) that the consideration for the Sale Shares and the Sale Loan is determined based on the face value of the Sale Loan which has neither taken into account the appreciation in the valuation of the Land Parcel over the Premium nor the net liabilities of the Target

Group as at 31 January 2019; and (iii) that the interest on the Sale Loan is calculated at 8% per annum which is considered to be reasonable compared to the Group's borrowing costs, the Directors (excluding the independent non-executive Directors whose view shall be formed after considering the advice of the IFA) are of the view that the terms of the Agreement (including the basis of determining the consideration) to be fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the Vendor is beneficially and wholly owned by Mr. Pan who is the Chairman of the Board, an executive Director and the controlling Shareholder, the Acquisition also constitutes a connected transaction of the Company which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Given that Mr. Pan has a material interest in the Agreement, he had abstained from voting at the Board meeting on the resolution(s) approving the Agreement and the transactions contemplated thereunder pursuant to the Listing Rules and the bye-laws of the Company.

The SGM will be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. Mr. Pan and his associates (as defined under the Listing Rules) who are interested in 4,939,984,634 Shares shall abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder at the SGM.

The IBC which comprises all the independent non-executive Directors has been formed to give recommendations to the Independent Shareholders, and the IFA shall be appointed to advise the IBC and the Independent Shareholders as to whether the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and as to how to vote on the Agreement and the transactions contemplated thereunder at the SGM.

GENERAL

A circular containing, among other things, (i) details of the Agreement; (ii) the valuation report on the Land Parcel; (iii) the letter of recommendation from the IBC; (iv) the letter of advice from the IFA; and (v) the notice of the SGM is expected to be despatched to the Shareholders on or before 10 May 2019.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares and the Sale Loan by the Purchaser pursuant to the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 16 April 2019 entered into among the Purchaser, the Vendor and Mr. Pan in relation to the Acquisition
“Board”	the board of Directors
“Business Day(s)”	a day(s) excluding Saturdays, Sundays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on which banks are generally open for business in Hong Kong
“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)
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Completion Date”	the date on which Completion takes place
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Gold Flair”	Gold Flair Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Target
“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

“IBC”	an independent committee of the Board comprising all the independent non-executive Directors constituted to give recommendations to the Independent Shareholders
“IFA”	an independent financial adviser to be appointed to advise the IBC and the Independent Shareholders
“Independent Shareholder(s)”	all Shareholders other than Mr. Pan and his associates
“Initial Consideration”	being HK\$2,162,269,799, the initial consideration for the Sale Shares and the Sale Loan, subject to adjustments in accordance with the terms of the Agreement and as disclosed in this announcement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement dated 18 December 2018 and executed by Rich Fast 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 paid by Rich Fast to the HK Government for the Land Parcel amounting to approximately HK\$8,906.76 million
“Purchaser”	Million Glory Developments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Rich Fast”	Rich Fast International Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Gold Flair
“Sale Loan”	the entire amount of the principal, interest (if any) and other sums and indebtedness due, owing or payable to the Vendor by the Target Group as at Completion

“Sale Shares”	four ordinary shares of the Target, representing 40% of the issued share capital of the Target as at the date of the Agreement and as at Completion
“SGM”	the special general meeting of the Company to be convened and held to consider the Agreement and the transactions contemplated thereunder
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Golden Sphere Developments Limited, a company incorporated in the BVI with limited liability and is owned as to 60% by the Purchaser and as to 40% by the Vendor as at the date of the Agreement
“Target Group”	the Target and its subsidiaries, namely Gold Flair and Rich Fast
“Tender”	the tender bid for the acquisition of the Land Parcel
“Vendor”	Gold Vibe Holdings Limited, a company incorporated in the BVI with limited liability and is beneficially and wholly owned by Mr. Pan
“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, 16 April 2019

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*