
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Goldin Financial Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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



GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY
INTEREST IN THE DISPOSAL COMPANY AND
THE SHAREHOLDER'S LOAN**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 13 of this circular.

The transaction being the subject matter of this circular has been approved by written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a special general meeting of the Company. This circular is being despatched to the Shareholders for information only.

* *for identification purposes only*

4 February 2021

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — GENERAL INFORMATION	II-1

DEFINITIONS

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

“Board”	the board of Directors
“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 Disposal pursuant to the terms and conditions of the Term Sheet
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares and the Shareholder’s Loan
“Controlled Companies”	Clear Jade International Limited, Goldin Equities Limited and Goldin Global Holdings Limited, all controlled corporate entities beneficially wholly owned by Mr. Pan, that held an aggregate of 4,714,821,634 Shares as at the Latest Practicable Date
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Shareholder’s Loan by the Vendor to the Purchaser pursuant to the Term Sheet
“Disposal Company”	Goldin Factoring Limited, an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Disposal Group”	the Disposal Company and its subsidiary(ies)
“First Supplemental Term Sheet”	the supplemental term sheet dated 12 December 2020 entered into between the Purchaser and the Vendor to amend a term of the Term Sheet, details of which are set out in the announcement of the Company dated 14 December 2020

DEFINITIONS

“Formal Agreement”	a formal agreement may or may not be entered between the Vendor and the Purchaser to reflect the terms and conditions of the Term Sheet, together with any additional terms and conditions including, but not limited to, the representations and warranties as contemplated thereunder, in the event of either the Vendor and the Purchaser fail to agree the terms of or sign on the said formal agreement for whatever reasons, the Disposal will continue to proceed contemplated under the Term Sheet in accordance with the terms and conditions therein and no termination of the Term Sheet by any of the Vendor or the Purchaser is allowed
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) which is/are independent of the Company and its connected person(s)
“Latest Practicable Date”	28 January 2021, 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”	Mr. Pan Sutong, being the chairman of the Board, an executive Director and a controlling Shareholder as at the Latest Practicable Date
“NAV”	the aggregate of all current assets (including without limitation cash) of the Disposal Group (excluding the value of other fixed assets and receivables (to the extent that these receivables are aged for more than 30 days)) less the aggregate of all liabilities (excluding the Shareholder’s Loan)
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this circular
“Purchaser”	Power Alpha Global Limited, being the purchaser to the Term Sheet
“Sale Shares”	representing entire issued share capital of the Disposal Company

DEFINITIONS

“Second Supplemental Term Sheet”	the supplemental term sheet dated 26 January 2021 entered into between the Purchaser and the Vendor to amend a term of the Term Sheet, details of which are set out in the announcement of the Company dated 27 January 2021
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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)
“Shareholder’s Loan”	all sum of money advanced by way of loan by the Vendor (and/or any person or entity associated with the Vendor) to the Disposal Group which are due and outstanding as at Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Term Sheets”	collectively, the First Supplemental Term Sheet and the Second Supplemental Term Sheet
“Term Sheet”	the legally binding conditional term sheet dated 2 September 2020 entered into between the Purchaser and the Vendor in relation to the Disposal (as amended and supplemented by the Supplemental Term Sheets)
“Vendor”	Goldin Factoring Holdings Limited, a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date, being the vendor to the Term Sheet
“%”	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, *JP (Chairman)*
Mr. Zhou Xiaojun
Mr. Huang Rui
Ms. Hui Wai Man, Shirley

Registered office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Independent non-executive Directors:

Hon. Shek Lai Him Abraham (*GBS, JP*)
Mr. Wong Wai Leung Joseph
Mr. Tang Yiu Wing
Ms. Gao Min

Principal place of business

in Hong Kong:
25/F, Goldin Financial Global Centre
17 Kai Cheung Road
Kowloon Bay
Hong Kong

4 February 2021

To the Shareholders,

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY
INTEREST IN THE DISPOSAL COMPANY AND
THE SHAREHOLDER'S LOAN**

INTRODUCTION

References are made to the announcements of the Company dated 4 September 2020, 11 September 2020, 14 December 2020 and 27 January 2021 in relation to the Disposal, respectively.

On 2 September 2020 (after trading hours), (i) the Vendor, a direct wholly-owned subsidiary of the Company; and (ii) the Purchaser entered into the Term Sheet (as amended and supplemented by the Supplemental Term Sheets), pursuant to which the Purchaser

LETTER FROM THE BOARD

conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares, which represent the entire issued share capital of the Disposal Company, and the Shareholder's Loan at an aggregate Consideration of HK\$2,050,000,000.

The purpose of this circular is to provide you with, among other things, further details of the Disposal and other information as required under the Listing Rules.

THE DISPOSAL

Set out below are the principal terms of the Disposal:

Date: 2 September 2020 (as amended and supplemented by the Supplemental Term Sheets dated 12 December 2020 and 26 January 2021, respectively)

Parties: (i) Goldin Factoring Holdings Limited (as the Vendor)
(ii) Power Alpha Global Limited (as the Purchaser)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be disposed of

- (i) the Sale Shares, being the entire issued share capital of the Disposal Company; and
- (ii) the Shareholder's Loan, being the outstanding loan due by the Disposal Company to the Vendor as at Completion.

The Sale Shares and the Shareholder's Loan shall be sold/assigned free from all encumbrances upon Completion. As at 30 June 2020, the Shareholder's Loan amounted to approximately HK\$1,261.7 million.

Consideration and payment terms

The aggregate Consideration for the Sale Shares and the Shareholder's Loan shall be HK\$2,050,000,000, which shall be payable by the Purchaser in the following manner:

- (i) as to HK\$102,500,000 in cash, being 5% of the Consideration as deposit (the "Deposit"), which shall be payable by the Purchaser to the Vendor immediately after completion of the due diligence exercise to be conducted by the Purchaser, which shall be completed by the Purchaser as soon as practicable but in any event no later than 31 March 2021; and

LETTER FROM THE BOARD

- (ii) as to the remaining balance of the Consideration in the sum of HK\$1,947,500,000, being 95% of the Consideration, shall be payable by the Purchaser immediately to the Vendor at Completion.

As at the Latest Practicable Date, the Deposit had not yet been paid by the Purchaser. Pursuant to the Term Sheet (as amended and supplemented by the Supplemental Term Sheets), it is expected that the Deposit shall be paid by the Purchaser immediately after completion of the due diligence exercise by the Purchaser.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among others, (i) the unaudited combined net assets value of the Disposal Group as at 30 June 2020 of approximately HK\$788.2 million; and (ii) the outstanding Shareholder's Loan amount as at 30 June 2020 of approximately HK\$1,261.7 million.

Formal agreement

According to the Term Sheet, the Vendor and the Purchaser will use their best efforts to formalise the Term Sheet by entering into the Formal Agreement to reflect the terms and conditions of the Term Sheet, together with any additional terms and conditions including, but not limited to, the representations and warranties as contemplated in the Term Sheet within 15 days after the Purchaser's completion of the due diligence exercise on the Disposal Group. The Formal Agreement shall include reasonable and appropriate representations and warranties to be given by the Vendor and the Purchaser.

In the event that the Vendor and the Purchaser fail to agree the terms of or sign on the Formal Agreement for whatever reasons, the Vendor and the Purchaser agree that they shall proceed with completion of the Disposal contemplated under the Term Sheet in accordance with the terms and conditions set thereunder and no termination of the Term Sheet by any of the Vendor and the Purchaser is allowed. The Company will make further announcement(s), if any, in relation to the progress of Formal Agreement as and when appropriate.

Conditions precedent

Completion shall be subject to and conditional upon the following conditions being fulfilled or satisfied on or before the Completion Date:

- (i) the completion of the due diligence exercise on the Disposal Group to be conducted by the Purchaser, which shall be completed by the Purchaser as soon as practicable but in any event no later than 31 March 2021;
- (ii) compliance with the Listing Rules relating to the Term Sheet by the holding company of the Vendor, where applicable;
- (iii) the approval of a bank consent in connection with the Disposal from Shanghai Commercial Bank Ltd, a bank of the Disposal Group in respect of a revised banking facility letter dated 1 June 2020 for a loan amount not exceeding HK\$2 billion; and

LETTER FROM THE BOARD

- (iv) other conditions to be further agreed under the Formal Agreement, which may or may not be entered, please refer to the section headed “Formal Agreement” above for further details.

Condition (iii) was included as one of the conditions precedent to Completion due to the requirement under the loan agreement with Shanghai Commercial Bank Ltd.

Save for condition (ii), the above conditions precedent may be waived in writing by the parties to the Term Sheet at their absolute discretions at any time on or before the Completion Date. If any of the above conditions precedent is not fulfilled (or waived) on or before the Completion Date, all rights and obligations of the parties under the Term Sheet shall cease and terminate, save and except for those pursuant to the clauses relating to costs, confidentiality, counterparts, rights of third parties, and governing law and jurisdiction which shall remain in full force and effect, and no party shall have any claim against the other save for any antecedent breach of the Term Sheet and return of the Deposit, if any.

Completion

Completion shall take place on the 30th calendar day from the completion of the due diligence exercise on the Disposal Group by the Purchaser (or such other dates as the Vendor and the Purchaser may agree) after fulfilment (or waiver) of the conditions precedent to the Term Sheet, provided that the Vendor shall have the discretion to defer the Completion as referred to in the section headed “Termination” below of this circular.

Termination

Should the Completion fail to occur by the initial Completion Date at the Purchaser’s breach of obligations under the Term Sheet for whatever reasons, the Purchaser agrees to immediately forfeit the Deposit and the Vendor shall have the sole and absolute discretion to either require the Purchaser to continue to duly complete the transactions contemplated under the Term Sheet on another fixed Completion Date, or terminate the Term Sheet without prejudice to its rights and remedies against the Purchaser at law and its rights to seek damages and loss suffered.

Should the Completion fail to occur by the initial Completion Date for reasons of the Vendor requiring additional time to fulfil the regulatory compliance and/or other third party’s consent, the Vendor shall have the discretion to defer the Completion for not more than two months from the original Completion Date and fix on another date for the Completion, in which case the Purchaser shall be required to continue to duly complete the transactions under the Term Sheet on another fixed Completion Date and no termination of the Term Sheet by the Purchaser is allowed.

LETTER FROM THE BOARD

INFORMATION ON THE DISPOSAL GROUP

As at the Latest Practicable Date, the Disposal Company is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Vendor. It is principally engaged in the provision of factoring services. The Disposal Company currently holds the entire equity interest in 高銀保理(中國)發展有限公司 (Goldin Factoring (China) Development Company Limited*), a company incorporated in the PRC with limited liability and it is principally engaged in the provision of factoring services.

The summary of the financial information of the Disposal Group for the two years ended 30 June 2019 and 2020 are set out below:

	For the year ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(approximate)</i>	<i>(approximate)</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Turnover	201,555	138,877
Profit before taxation	21,445	116,378
Net profit/(loss)	(9,189)	89,829

The net loss of the Disposal Group of approximately HK\$9.19 million recorded for the year ended 30 June 2020 was mainly attributable to significant increase in finance costs.

As at 30 June 2020, the unaudited consolidated net assets of the Disposal Group amounted to approximately HK\$788.2 million.

INFORMATION ON THE PURCHASER AND THE VENDOR

To the best of the information, knowledge and belief of the Directors, as at the Latest Practicable Date, the Purchaser was a company principally engaged in investment holding business and was wholly owned by Ge Lintao.

As at the Latest Practicable Date, the Vendor was an investment holding company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company.

FINANCIAL EFFECT OF THE DISPOSAL AND THE PROPOSED USE OF PROCEEDS

Immediately after the Completion, each member of the Disposal Group will cease to be a subsidiary of the Company and the financial results, assets and liabilities of the Disposal Group will no longer be consolidated into the Group's financial statements.

The net proceeds arising from the Disposal (after deducting other expenses in relation thereto) is expected to be approximately HK\$2,047 million. The Group intends to apply the net proceeds from the Disposal for general working capital, among which (i) approximately

LETTER FROM THE BOARD

45% would be used for the repayment of the amount due to the Disposal Company after Completion; (ii) approximately 20% would be used for the repayment of construction payables, which were overdue as at the Latest Practicable Date and shall be repaid once the Company has received the available funds; (iii) approximately 28% would be used for meeting the estimated working capital requirements of the Group for the next 12 months comprising (a) other payables and accruals of approximately 9%, which were overdue as at the Latest Practicable Date and shall be repaid once the Company has received the available funds; (b) staff costs of approximately 8% to be incurred monthly; (c) other administrative expenses of approximately 7% to be incurred as the needs arise; and (d) rent and rates of approximately 4% to be paid monthly; and (iv) a reserve of approximately 7% for any other unforeseen requirements as they arise.

Subject to review by the Company's auditors, the Group expects that no material gain/loss will be recorded from the Disposal as the Consideration approximates the net aggregate of the unaudited net asset value of the Disposal Group and the carrying value of the Shareholder's Loan as at 30 June 2020. In addition, assuming that Completion took place on 30 June 2020, it is expected that upon Completion, the Group's total assets will be decreased by approximately HK\$1.63 billion primarily as a net result of the transfer of trade receivables of the Disposal Group to the Purchaser and the receipt of the Consideration, and its total liabilities will be decreased by approximately HK\$1.63 billion primarily as a net result of the derecognition of bank borrowings, trade payables, tax payables, accrued liabilities and other payables in relation to the Disposal Group, as well as the recognition of the amount due to the Disposal Group.

The abovementioned financial effects are shown for illustrative purpose only and the actual gain/loss eventually to be recognised in the consolidated financial statements of the Company depends on, among other things, the consolidated net asset value of the Disposal Group as at the Completion Date.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

Recently, the escalating China-US trade tensions as well as the exchange rate fluctuations have significantly increased the credit risk for the small and medium-sized enterprises in the PRC. As the Group's factoring clients mainly comprise PRC enterprises which primarily export their goods to the United States of America, this has exposed the Group to increasing business risks for the factoring business. Further, due to the highly capital-intensive nature of factoring business, the Group has relied upon a working capital loan to finance its factoring operations. According to the annual report of the Company for the year ended 30 June 2020, as a result of the working capital loan, funding costs for the Group's factoring business has increased significantly in the year ended 30 June 2020, materially affecting the profitability of the factoring business. Upon Completion, the Group will no longer be engaged in provision of factoring services, and will continue to develop its remaining business by, among others, closely monitoring the market sentiment,

LETTER FROM THE BOARD

evaluating its businesses and opportunities on hand and making appropriate adjustments accordingly. The Group may also consider to pursue opportunities for further business developments and/or realise its assets if thought fit with a view to enhance its financial flexibility.

In view of the increasing business risks resulted from the escalating China-US tensions and the exchange rate fluctuations and the unsatisfactory financial performance of the Disposal Group resulting from the increasing funding costs for the Group's factoring business, being the net loss of approximately HK\$9.19 million for the year ended 30 June 2020, the Directors believe that it is in the interest of the Company and the Shareholders as a whole to re-allocate the management and the Group's financial resources to strengthen its remaining business after the Completion. In addition, the Disposal would result in derecognition of bank borrowing from the Disposal Group which, together with the proceeds arising therefrom, would help strengthen the financial flexibility of the Group as a whole.

Having considered the above, the Directors are of the view that the terms of the Term Sheet (as amended and supplemented by the Supplemental Term Sheets) have been made on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

WORKING CAPITAL SUFFICIENCY

As at 30 June 2020, the Group had net current liabilities of approximately HK\$5,752 million and capital commitments of approximately HK\$4,342 million. Total bank and other borrowings, and accrued loan interest and charges payables amounted to approximately HK\$15,848 million and HK\$449 million, respectively, which were repayable on demand or within 12 months from 30 June 2020. Among the bank and other borrowings and accrued loan interest and charges payables, approximately HK\$10,178 million and HK\$376 million were overdue and repayable on demand, respectively, as at 30 June 2020 as the Group had breached certain financial covenants (the "**Breaches**") in respect of the loan in the principal amount of HK\$3,378 million (the "**Loan**") obtained by Cheng Mei Holdings Limited ("**Cheng Mei**") and Goal Eagle Limited ("**Goal Eagle**") (both indirect wholly-owned subsidiaries of the Company), and certain floating rate senior secured notes (the "**Notes**") with principal amount of HK\$6,800 million issued by Smart Edge Limited ("**Smart Edge**", a company owned as to 60% by Cheng Mei and 40% by Goal Eagle).

As a result of the Breaches, the security agents of the Notes and the Loan have appointed joint and several receivers and managers (the "**Receivers**") over the security assets provided under the Notes and the Loan in July and October 2020, respectively. The material assets subject to the receivership include, among other things, (i) an office building known as Goldin Financial Global Centre and owned by Smart Edge; and (ii) 100% of the issued share capital and all assets and undertakings of Smart Edge, Cheng Mei and Goal Eagle. In addition, on 7 October 2020, the Company received a notification of a petition dated 7 August 2020 (the "**Petition**") and an application (the "**JPL Application**") presented by the security agent of the Loan to the Supreme Court of Bermuda for the purported winding-up of the Company and the appointment of joint provisional liquidators of the Company. The

LETTER FROM THE BOARD

Group's failure to repay the Notes and the Loan also constituted an event of default of another bank loan of approximately HK\$1,978 million as at 30 June 2020 (the "**Other Bank Loan**", together with the Notes and the Loan, the "**Indebtedness**"), which, as a consequence, became repayable on demand.

In view of the circumstances and in addition to the Disposal, the Group has implemented, or is in the process of implementing, the following plans and measures to improve its working capital position:

- (a) in relation to the Group's acquisition of the entire equity interest in Solar Time Developments Limited ("**Solar Time**") from Goldin Investment Intermediary Limited ("**GIIIL**"), a company 60%-owned by Mr. Pan (details of which were disclosed in the Company's circular dated 30 October 2019), on 28 October 2020, the Group entered into a confirmatory deed with GIIIL, pursuant to which, among other things, GIIIL irrevocably agreed that completion of the acquisition be extended to the third business day after a written notice is served on GIIIL by the Group of its intention and readiness to complete the acquisition. Mr. Pan has also undertaken that the Group could settle the outstanding consideration by way of a shareholder's loan, if necessary, by utilising a loan facility provided by a company controlled by him. As the Group expects to complete the proposed disposals of the Disposal Company and Smart Edge (as detailed in (b) below) within the first half of 2021 and in view of the aforesaid undertaking provided by Mr. Pan, the Group will have sufficient resources to settle the outstanding consideration for the acquisition of Solar Time;
- (b) as disclosed in the announcements of the Company dated 23 December 2020 and 10 January 2021, it was confirmed to the Group that the Receivers and an independent third party (the "**SE Purchaser**") have entered into a sale and purchase agreement (the "**SE Disposal Agreement**") in respect of 100% equity interest of Smart Edge (the "**SE Disposal**"). The Receivers also informed the Group that (i) the funds to be received by them pursuant to the SE Disposal Agreement will be sufficient to settle all outstanding indebtedness relating to the Notes and the Loan in full; and (ii) the SE Purchaser has paid very substantial non-refundable deposits pursuant to the terms of the SE Disposal Agreement. The Company expects that the SE Disposal will be completed within the first half of 2021 and is confident that once the SE Disposal Agreement has been duly completed, all legal proceedings relating to the Notes and the Loan, as well as the Petition and the JPL Application, will be resolved amicably;
- (c) Mr. Pan has undertaken to provide additional funding to finance the Group's operations as and when necessary. Currently, the Group maintains a borrowing facility of US\$500 million (equivalent to approximately HK\$3,875.1 million) from a company controlled by Mr. Pan, in which no amount has been utilised as at the Latest Practicable Date. Mr. Pan has also undertaken not to demand the repayment of any amounts due to him or companies controlled by him until the Group is in a position to repay without impairing its liquidity position; and

LETTER FROM THE BOARD

- (d) the Company will consider other financing arrangements with a view to improving the Group's liquidity and financial position.

The Directors are of the opinion that, taking into account the Group's internal resources, the existing facilities, the proceeds from the Disposal assuming Completion takes place, the Indebtedness which has already fallen due and the abovementioned plans and measures, the Group will have sufficient working capital for the Group's requirements within the next 12 months from the date of this circular.

Shareholders should note that the validity of the statement of the working capital sufficiency of the Group as mentioned above depends on the outcome of the plans and measures undertaken/being undertaken by the Group, which are subject to multiple uncertainties, including:

- (a) successfully completing the SE Disposal in accordance with the terms and conditions, amounts and timing anticipated by the Company and using the sale proceeds to repay the Notes and the Loan;
- (b) successfully obtaining agreement with the lenders and the Receivers of the Notes and the Loan for the settlement arrangement of the Notes and the Loan and the settlement of all legal proceedings, which include, among other things, the withdrawal of the Petition and the JPL Application against the Company; and
- (c) successfully obtaining other financial resources, including but not limited to advances from the controlling shareholder of the Company and/or companies controlled by him so as to enable the Group to have adequate working capital within 12 months from the date of this circular and to repay its matured and maturing debts and finance the Group's operations from time to time.

Should the Group be unable to successfully implement the plans and measures as mentioned above, the Group may not have sufficient working capital for its requirements within the next 12 months from the date of this circular.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 25% but less than 75%, the Disposal as contemplated under the Term Sheet (as amended and supplemented by the Supplemental Term Sheets) constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements.

As at the Latest Practicable Date, none of the Shareholders has a material interest in, and would be required to abstain from voting on, the resolutions to approve the Disposal and the transactions contemplated thereunder and none of the Shareholders would be required to abstain from voting if the Company were to convene a general meeting to approve the Disposal.

LETTER FROM THE BOARD

Pursuant to Rule 14.44 of the Listing Rules, a written shareholders' approval may be accepted in lieu of holding a general meeting to approve the terms of, and the transactions contemplated under the Term Sheet (as amended and supplemented by the Supplemental Term Sheets) upon satisfaction of the conditions set out under Rule 14.44 of the Listing Rules. The written approval of Mr. Pan personally and through his Controlled Companies being a closely allied group of Shareholders, holding 4,953,884,634 Shares in aggregate, representing approximately 70.86% of the issued share capital of the Company as at the Latest Practicable Date, has been obtained in respect of the Disposal. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

RECOMMENDATION

The Directors are of the view that the Disposal and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution(s) approving the Disposal and the transactions contemplated thereunder, if a general meeting of the Company was to be convened.

The above statement is for the Shareholders' reference only given that the Company had already obtained the written approval from Mr. Pan personally and through his Controlled Companies for the Disposal and the transactions contemplated thereunder and hence, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Disposal and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By order of the Board
Goldin Financial Holdings Limited
高銀金融(集團)有限公司*
Hui Wai Man, Shirley
Executive Director

* *for identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 30 June 2018, 2019 and 2020 are disclosed in the following documents of the Company, which have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.goldinfinancial.com):

- the annual report of the Company for the year ended 30 June 2018 (pages 69 to 180) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/1015/ltn20181015393.pdf>);
- the annual report of the Company for the year ended 30 June 2019 (pages 74 to 208) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1022/ltn20191022007.pdf>); and
- the annual report of the Company for the year ended 30 June 2020 (pages 107 to 248) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0120/2021012000482.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2020, 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\$12,956,441,000 comprising (i) secured bank loans (including those owed by Smart Edge, Cheng Mei and Goal Eagle which were under receiverships) of approximately HK\$12,178,710,000; (ii) unsecured bank loans of approximately HK\$6,447,000; (iii) unsecured bank overdraft of approximately HK\$1,481,000; and (iv) accrued loan interest and charges payable (including those owed by Smart Edge, Cheng Mei and Goal Eagle which were under receiverships) of approximately HK\$769,803,000 of secured bank loans.

The secured bank loans were (i) secured by entire shares capital of certain subsidiaries; (ii) floating charges over all assets of certain subsidiaries; (iii) the investment properties; and (iv) guaranteed by the Company and Mr. Pan Sutong, the controlling Shareholder of the Company.

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 December 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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.

The overall business environment in Hong Kong and the PRC is expected to remain challenging in the short term. The adverse impacts to economies brought by the outbreak of the COVID-19 pandemic and the uncertainties arising from the escalating trade tensions between the PRC and the United States of America are expected to continually cause pressure on the Group's businesses. In such turbulent time, the Group will adhere to a prudent approach to manage its business and strategies.

On 27 July 2020, the Group entered into a sale and purchase agreement (as amended and supplemented by two supplemental agreements dated 27 July 2020) (the "**Rich Fast Disposal Agreement**") with an independent third party for the disposal of Rich Fast International Limited ("**Rich Fast**"), a then indirect wholly-owned subsidiary of the Company which held a piece of land situated at Kai Tak, Kowloon, and had a bank borrowing of approximately HK\$3,563 million as at 30 June 2020, at a cash consideration of approximately HK\$3,477 million. The disposal was completed on 27 July 2020, which immediately brought in fresh capital to the Group and relieved the Group from the future business and financial risks associated with the development of project in relation to the underlying piece of land of Rich Fast.

In view of the rising of capital cost and risks exposure in relation to the factoring operation, the Group decided to dispose of the factoring business and re-allocate the management and financial resources of the Group to strengthen its remaining business. On 2 September 2020, the Group entered into a Term Sheet (as supplemented and amended by the Supplemental Term Sheets) with the Purchaser in relation to the Disposal at a cash consideration of approximately HK\$2,050 million. The Disposal is expected to result in derecognition of bank borrowing from the factoring subsidiary which, together with the proceeds arising therefrom, would help strengthen the financial flexibility of the Group as a whole.

As disclosed in the Company's announcement dated 23 December 2020, it was confirmed to the Group that the Receivers and the SE Purchaser have entered into the SE Disposal Agreement in respect of 100% equity interest of Smart Edge, which owns the Group's investment properties, namely Goldin Financial Global Centre. The Receivers have also informed the Group that (i) the funds to be received by them pursuant to the SE Disposal Agreement will be sufficient to settle all outstanding indebtedness relating to the Notes and the Loan in full; and (ii) the SE Purchaser has paid very substantial non-refundable deposits pursuant to the terms of the SE Disposal Agreement. The Company expects that the SE Disposal will be completed within the first half of 2021 and is confident that once the SE Disposal Agreement has been duly completed, all legal proceedings relating to the Notes and the Loan, as well as the Petition and the JPL Application will be resolved amicably.

As disclosed in the section headed “Statement of indebtedness” above in this appendix, as at the close of business on 31 December 2020, the Group had aggregate outstanding borrowings of approximately HK\$12,956 million, which, assuming the expected derecognition of a secured bank loan after Completion and, based on the information received from the Receivers, the expected full settlement of outstanding indebtedness relating to the Notes and Loan after duly completion of the SE Disposal, shall leave a balance of approximately HK\$7.9 million with all others remain unchanged.

While the Group continues to dedicate its efforts to maximise returns to the Shareholders, it will closely monitor the market sentiment, evaluate its business and opportunities on hand and make appropriate adjustments accordingly. The Group may also consider to pursuit opportunities for further business developments or realise its assets if thought fit with a view to enhancing its financial flexibility. Besides, the Group will consider engaging in fund raising activities such as share placing with a view to improve the Group’s liquidity and financial position. As at the Latest Practicable Date, the Group did not have any concrete plans on the aforesaid fund raising activities.

4. MATERIAL ADVERSE CHANGE

Save for the disclosure in the section headed “Financial and trading prospects of the Group and the section headed “Litigations” in appendix II to this circular, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date.

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 executive's interests and short positions in the Shares, underlying Shares and debentures of the Company

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), to be notified to the Company and the Stock Exchange 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 (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares and underlying Shares:

Name of Directors	Notes	Number of Shares held		Number of Underlying Shares	Total (Long Position)	Approximate % of the total issued Shares as at the Latest Practicable Date
		Personal interests	Corporate interests			
Mr. Pan	1	239,063,000	4,714,821,634	—	4,953,884,634	70.86%
Mr. Zhou Xiaojun	2	—	—	2,000,000	2,000,000	0.03%

Notes:

- The 4,714,821,634 Shares held by Mr. Pan through Controlled Companies included:
 - 4,483,291,636 Shares were held by Goldin Global Holdings Limited and 187,213,998 Shares were held by Goldin Equities Limited respectively. Goldin Global Holdings Limited is ultimately owned by Mr. Pan. Goldin Equities Limited is an indirect wholly-owned subsidiary of Goldin Real Estate Financial Holdings Limited ("**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 Director under the share option scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives 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 was known to the Directors or chief executives 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	4,483,291,636	4,483,291,636	64.13%
Mr. Pan	2	Interests held as beneficial owner and through controlled corporations	4,953,884,634	4,953,884,634	70.86%

Notes:

1. Goldin Global Holdings Limited is ultimately owned by Mr. Pan.

2. These Shares include 4,714,821,634 Shares held by Mr. Pan through the Controlled Companies as follows:

- (i) A total of 4,670,505,634 Shares, of which 4,483,291,636 Shares were held by Goldin Global Holdings Limited and 187,213,998 Shares were held by Goldin Equities Limited (as disclosed in Note 1 above) respectively.

Goldin Equities Limited is wholly owned by Goldin Investment Advisers Limited, which is, in turn, a wholly-owned subsidiary of Goldin Financial Investment Limited. Goldin Financial Investment Limited is wholly owned by Goldin Investment Holdings Limited, which is, in turn, 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 was known to the Directors or chief executives 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. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge of the Directors, Mr. Pan had controlling beneficial interest in two residential property projects under construction in Ho Man Tin, being the Sheung Shing Street project and Ho Man Tin MTR station project. Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates (as defined under the Listing Rules) was considered to have any interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

4. DIRECTORS' 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 of the Group within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTEREST

(i) Interest in contracts or arrangements

As at the Latest Practicable Date, Mr. Pan had material interests in the following contracts or arrangements which were significant and subsisting in relation to the business of the Group:

- (a) an agreement dated 5 September 2016 entered into between the Company and Mr. Pan in relation to the co-operation to acquire any parcels of land (whether with or without any building or other erections erected thereon) from the government of Hong Kong or a PRC Governmental Body (as defined in the Listing Rules) by way of tender through a joint venture entity to be duly incorporated in Hong Kong or any special purpose entity to be formed and wholly-owned by such joint venture entity for the purposes of, among others, holding such land parcel(s), and the engagement in the development of such land parcel(s) subject to the conditions of the acquisition and the purpose specified in the relevant auction or tender document in the maximum aggregate sum of HK\$20 billion;
- (b) the project management agreement dated 20 December 2018 entered into between Goldin Project Management Limited, an indirect wholly-owned subsidiary of the Company, and Gold Brilliant Investment Limited (“**Gold Brilliant**”), a joint venture company owned as to 83.5% by Rich Region Holdings Limited and as to 16.5% by Concept Pioneer Limited, which are companies indirectly wholly owned by Mr. Pan, in relation to the provision of project management services by Goldin Project Management Limited for the development of the land parcel at the northern portion of Kowloon Inland Lot No.11264 located in Ho Man Tin, Kowloon (the “**Ho Man Tin Project**”) to be undertaken by Gold Brilliant;
- (c) the property development consultancy agreement dated 20 December 2018 entered into between GFGC Real Estate Agency Limited (“**GFGC**”), an indirect wholly-owned subsidiary of the Company, and Gold Brilliant in relation to the provision of property development consultancy services by GFGC for the Ho Man Tin Project; and

- (d) the conditional sale and purchase agreement dated 26 September 2019 (the “**Solar Time Acquisition Agreement**”) entered into between Silver Shine Global Limited, a wholly-owned subsidiary of the Company, and GIIL in relation to the acquisition by Silver Shine Global Limited of the entire issued share capital of Solar Time at a consideration of HK\$4,598 million.

As at the Latest Practicable Date, save as disclosed above, none of the Directors was materially interested in any contracts or arrangements which were subsisting and significant in relation to the business of the Group.

(ii) Interests in assets

As at the Latest Practicable Date, save for Mr. Pan’s interests in (i) the Solar Time Acquisition Agreement; and (ii) the Rich Fast Disposal Agreement, none of the Directors had any direct or indirect interest in any assets which have been, since 30 June 2020 (the date to 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. 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) the conditional sale and purchase agreement dated 16 April 2019 entered into among Million Glory Developments Limited (a wholly-owned subsidiary of the Company), Gold Vibe Holdings Limited and Mr. Pan in relation to the acquisition of a 40% equity interest in Golden Sphere Developments Limited and the relevant shareholders’ loan by Million Glory Developments Limited at an initial consideration of approximately HK\$2,162 million;
- (b) the Solar Time Acquisition Agreement;
- (c) the conditional sale and purchase agreement dated 10 May 2020 entered into between Golden Sphere Developments Limited, a then indirect wholly-owned subsidiary of the Company, and Top Family Group Limited in relation to the sale and purchase of the entire issued share capital of Gold Flair Holdings Limited (“**Gold Flair**”) and the relevant shareholder’s loan at the initial consideration of HK\$7,040,479,250, which was subsequently terminated by the parties thereto by entering into a termination agreement dated 17 July 2020;

- (d) the sale and purchase agreement dated 17 July 2020 (as amended and supplemented by two supplemental agreements dated 17 July 2020) entered into among Gold Flair, Sino Shield Limited, the Company and Mr. Pan in relation to the sale and purchase of all issued shares of Rich Fast, which was subsequently cancelled and rescinded by the parties thereto by entering into a cancellation deed on 27 July 2020, details of which are set out in the announcement of the Company dated 28 July 2020;
- (e) the option deed dated 17 July 2020 entered into among Agile World Limited, Gold Flair, the Company and Mr. Pan in relation to the grant of a call option, which entitles Gold Flair to require Agile World Limited to sell to it the issued share capital of Sino Shield Limited, and a put option, which entitles Agile World Limited to require Gold Flair to acquire from it the issued share capital of Sino Shield Limited, which was subsequently terminated by the parties thereto by entering into the termination deed on 27 July 2020, details of which are set out in the announcement of the Company dated 28 July 2020;
- (f) the Rich Fast Disposal Agreement;
- (g) the Term Sheet (as amended and supplemented by the Supplemental Term Sheets);
- (h) the provisional agreement for sale and purchase dated 29 September 2020 (as amended by a deed of amendment and a side letter both dated 14 October 2020) entered into between the Company and Hundred Gain International Holding Limited in relation to the disposal of the entire issued share capital of Cheng Mei and Goal Eagle and all the debts owing by Cheng Mei and Goal Eagle to the Company and its associates (if any) immediately before completion of the said disposal at a total consideration of HK\$14.30 billion; and
- (i) the placing agreement dated 9 October 2020 entered into between the Company and Titan Financial Services Limited in relation to the placing of up to 1,398,130,398 new Shares on a best effort basis at HK\$1.00 per new Share to be placed, which was subsequently terminated by the parties thereto by entering into a termination agreement dated 13 November 2020.

7. LITIGATIONS

On 13 July 2020, in connection with the Notes, Smart Edge received notifications concerning the appointment of Cosimo Borrelli (“**Mr. Borrelli**”) and Ma Siu Ming Simon (“**Mr. Simon Ma**”) as joint and several receivers and managers over the security assets provided under the Notes, including the Group’s investment properties with an aggregate value of HK\$15 billion as at 30 June 2020, and the appointment of Mr. Borrelli, Mr. Simon Ma and Chi Lai Man Jocelyn (“**Ms. Jocelyn Chi**”) as new directors of Smart Edge in place of the former directors of Smart Edge (the “**SE Former Directors**”). Further details are set out in the Company’s announcement dated 15 July 2020.

On 14 July 2020, each of Matsunichi Goldbase Limited (“**Matsunichi Goldbase**”), the SE Former Directors and the Company commenced legal proceedings in the High Court of Hong Kong against the appointment of Mr. Borrelli, Mr. Simon Ma and Ms. Jocelyn Chi in their respective capacities as receivers and directors of Smart Edge (correspondingly, the “**Matsunichi Action**”, the “**SE Former Directors’ Action**” and the “**Company Action**”).

On 24 July 2020, Smart Edge (at the direction of its receivers and managers, Mr. Borrelli and Mr. Simon Ma) issued a writ against the SE Former Directors (the “**HCA Action**”) seeking various injunctions and damages. On 27 July 2020, Smart Edge issued a summons in the HCA Action for the immediate granting of the injunctions (the “**Summons**”), (the Summons together with the SE Former Directors’ Action hereafter, the “**Smart Edge Applications**”). On 31 July 2020, the application for the immediate granting of the injunctions was dismissed by the High Court of Hong Kong. The Smart Edge Applications were adjourned to be heard together on 29 October 2020. Further details are set out in the Company’s announcements dated 28 July 2020 and 2 August 2020.

On 14 September 2020, Mr. Borrelli and Mr. Simon Ma (as receivers and managers of Smart Edge) took out a further originating summons for orders in respect of the alleged powers of the receivers and managers and their appointed directors over Smart Edge pending the determination of the Smart Edge Applications on 29 October 2020. On 25 September 2020, the High Court of Hong Kong ordered, *inter alia*, that pending determination of the Smart Edge Applications, (i) Mr. Borrelli and Mr. Simon Ma are entitled to exercise rights and powers granted to them under the security documents in respect of the Notes unless and until they are lawfully removed from office by an order of the Court or otherwise; and (ii) Mr. Borrelli, Mr. Simon Ma and Ms. Jocelyn Chi are the only directors of Smart Edge until lawfully removed from office by an order of the Court or otherwise. Further details are set out in the Company’s announcement dated 30 September 2020.

The Smart Edge Applications were heard together on 29 October 2020. At the hearing, the respective legal representatives for the SE Former Directors and Smart Edge reached agreement in respect of the Smart Edge Applications as set out in the announcement of the Company dated 30 October 2020. The High Court of Hong Kong accordingly made an order to give effect to the agreement, and dismissed the SE Former Directors’ Action.

In connection with the Loan, on 7 October 2020, the Company received the notification from its Bermuda agent of the Petition and the JPL Application presented by the security agent of the Loan to the Supreme Court of Bermuda for the winding-up and the appointment of joint provisional liquidators of the Company, respectively. The hearing of the Petition and the JPL Application scheduled on 9 October 2020 was subsequently adjourned to 12 February 2021. In addition, on 8 October 2020, Cheng Mei and Goal Eagle also received notifications from the security agent of the Loan that joint receivers have been appointed to Cheng Mei and Goal Eagle over the security assets provided under the Loan. Further details are set out in the Company's announcements dated 11 October 2020, 16 October 2020, 1 November 2020, 25 November 2020, 8 December 2020 and 10 January 2021.

As at 30 June 2020, a subsidiary of the Group was a defendant in a lawsuit brought by a contractor of the Group's properties in the PRC for the settlement of outstanding construction costs. The court judgement was issued in October 2020 and the Group is required to settle the outstanding sum in full plus overdue interest. As at the date of this annual report, the Group is in the process of appealing the judgement. However, the full amount of the outstanding construction costs and the related overdue interest aggregating to HK\$326,890,000 were fully provided by the Group as at 30 June 2020. In addition, as a result of this lawsuit, the Group's buildings and leasehold land with an aggregate amount of HK\$1,345,984,000 as at 30 June 2020 were preserved by the relevant court as a property preservation measure.

On 16 September 2020, the Group received a writ of summons from the High Court of Hong Kong regarding the construction payable in the amount of HK\$40,000,000 plus interests due to a contractor by Smart Edge. As at the Latest Practicable Date, the Group is in the process of negotiating with the contractor for the settlement of the outstanding sum and the full amount of the outstanding construction costs of HK\$40,000,000 was provided by the Group as at 30 June 2020.

Save as disclosed above, as at the Latest Practicable Date, no other material litigation or claim of material importance was pending or threatened against any member of the Group.

8. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Lun Hau Mun.
- (b) The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda, and the principal place of business in Hong Kong is at 25/F, Goldin Financial Global Centre, 17 Kai Cheung Road, Kowloon Bay, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 54, 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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 25/F, Goldin Financial Global Centre, 17 Kai Cheung Road, Kowloon Bay, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (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 three financial years ended 30 June 2018, 2019 and 2020;
- (c) the letter from the Board, the text of which is set out on pages 4 to 13 of this circular;
- (d) the material contracts as referred to in the section headed "6. Material contracts" in this appendix;
- (e) the circular of the Company dated 29 January 2021 in relation to the matters contemplated under the Rich Fast Disposal Agreement; and
- (f) this circular.