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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNOUNCEMENT OF ANNUAL RESULTS AND THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Reference is made to the announcement of Goldin Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 January 2021 (the “**Results Announcement**”) in relation to the annual results of the Company for the year ended 30 June 2020 (the “**FY2020**”) and the annual report of the Company for the FY2020 (the “**Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as ascribed thereto in the Results Announcement and the Annual Report.

The management of the Company has disclosed in the section headed “The management’s position, view and assessment on the disclaimer of opinion” in the Results Announcement and the Annual Report (the “**Management’s Response Section**”) regarding their position, view and assessment on the disclaimer of opinion issued by the Company’s auditors (the “**Auditors**”) on the Group’s consolidated financial statements for the FY2020 and they wish to provide further information as follows.

Impairment assessment of trade receivables from the Group’s factoring business

As disclosed in the section headed “Independent Auditor’s Report” in the Annual Report, during the FY2020, the Group experienced delays in the receipt of settlements of the receivables and there was a trend of increasing past due balances when compared to the past settlement history. As the Group collects the trade receivables through the factoring customers, their financial condition would impact the Group’s ability to collect the trade receivables.

During the course of audit for the FY2020, the Auditors have requested for further information of the factoring customers, such as their business updates and latest financial information, for the purpose of performing impairment assessment of the related trade receivables. However, the continuous spreading of COVID-19 and the resulted travel restrictions, quarantine measures and work-from-home policies have significantly affected the progress of provision of the requested information by the Group's factoring customers in the PRC, which are exporters to the USA. Despite the Company's follow-up on the requested information with the factoring customers, the Auditors were unable to obtain sufficient information regarding the financial position of the factoring customers for impairment assessment of the related trade receivables before the release of the Results Announcement. Accordingly, a disclaimer of opinion was issued in respect of the trade receivables from the Group's factoring business.

The Company will continue to take the actions as disclosed in the Management's Response Section, including monitoring the repayment progress and financial conditions of the factoring customers and completing the proposed disposal of the factoring business (which is currently expected to take place in the first half of 2021), to address the issue giving rise to the disclaimer of opinion in relation to the factoring receivables.

Impairment assessment of a prepayment for the acquisition of a subsidiary

As disclosed in the section headed "Independent Auditor's Report" in the Annual Report, the Auditors were unable to obtain sufficient relevant evidence to ascertain the financial capability of GIIL to complete the Solar Time Acquisition or refund the prepayment made by the Group should the Solar Time Acquisition not be completed. As the Auditors were unable to satisfy themselves as to whether any provision is required to be made against such prepayment as at 30 June 2020, a disclaimer of opinion was issued in respect of the prepayment.

As disclosed in the Management's Response Section, the Group and GIIL entered into a confirmatory deed on 28 October 2020, pursuant to which, among other things, GIIL agreed that completion of the Solar Time Acquisition be extended to the third business day after a written notice is served on GIIL by the Group of its intention and readiness to complete the acquisition. In view of the expected completion of the proposed disposals of Smart Edge and the factoring business within the first half of 2021 and the undertaking provided by Mr. Pan that the Group, if necessary, could settle the outstanding consideration for the Solar Time Acquisition by utilising a loan facility provided by a company controlled by him, the Directors believe that the Solar Time Acquisition can be completed on or before 30 June 2021. Accordingly, a refund or impairment of the prepayment is not considered necessary.

The Auditors consider the Company's plans to address the underlying matters leading to the disclaimer of opinion is appropriate in the circumstances. However, the Auditors stressed that they have not commenced any audit procedures on the Group's consolidated financial statements for the year ending 30 June 2021 and therefore they are not in a position to express their view on the effect of the plans thereon.

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

Hong Kong, 19 March 2021

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

* *for identification purposes only*