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GOLDIN PROPERTIES
高銀地產

GOLDIN PROPERTIES HOLDINGS LIMITED

高銀地產控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 283)

FURTHER SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO VERY SUBSTANTIAL DISPOSAL

References are made to (i) the announcement of the Company dated 23 December 2015 and the supplemental announcement of the Company dated 1 March 2016 (collectively, the “**Announcements**”) in respect of the Disposal, respectively; (ii) the announcement of the Company dated 5 January 2016 in respect of the appointment of the Independent Financial Adviser; and (iii) the announcements of the Company dated 28 January 2016, 26 February 2016 and 31 March 2016 in respect of the delay in despatch of circular, respectively. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

THE ENTRUSTED LOAN AGREEMENT AND THE FIRST PLEDGE AGREEMENT

On 15 April 2016, Goldin Tianjin entered into (i) the Entrusted Loan Agreement with the Investment Company and the First Bank, pursuant to which the Entrusted Loan in the amount of RMB6.00 billion (equivalent to approximately HK\$7.20 billion) shall be provided to Goldin Tianjin through entrusted loan arrangement whereby the First Bank is designated to act as the trustee to release the Entrusted Loan to Goldin Tianjin; and (ii) the First Pledge Agreement with the Investment Company and the First Bank, pursuant to which Goldin Tianjin has agreed to provide a first pledge over the Development in favour of the First Bank as security for the full repayment of the Entrusted Loan and interest accrued thereon. The entering into of the Entrusted Loan Agreement and the First Pledge Agreement forms part and parcel of the Disposal, which is conditional upon the obtaining of the Shareholders’ Approval.

The Entrusted Loan

The Entrusted Loan in the amount of RMB6.00 billion (equivalent to approximately HK\$7.20 billion) will be extended to Goldin Tianjin by the Investment Company through the First Bank for a period of 12 months from the drawdown date. While the interest rate under the Entrusted Loan is 2% per annum as contemplated under the Entrusted Loan Agreement, given that the interest expense, which will be payable by Goldin Tianjin with the principal altogether when the Entrusted Loan is due, will be reimbursed by the Investment Company within 1 business day

upon the receipt by the Investment Company thereof pursuant to the Interest Reimbursement Agreement, it is expected that the net effect of interest expense is zero. The Entrusted Loan (including interest accrued thereon) shall be repaid by Goldin Tianjin to the First Bank in full. The Entrusted Loan shall be used by Goldin Tianjin for the repayment of the loans in relation to the development of the Goldin Metropolitan project in the amount of RMB6.00 billion.

Pledge over assets

In consideration of the provision of the Entrusted Loan to Goldin Tianjin under the Entrusted Loan Agreement, Goldin Tianjin also entered into the First Pledge Agreement, pursuant to which Goldin Tianjin will provide a first pledge over the Development in favour of the First Bank as security for full repayment of the Entrusted Loan and interest accrued thereon. The first pledge over the Development under the First Pledge Agreement shall be released upon full repayment of the Entrusted Loan including the interest accrued thereon.

THE SECOND PLEDGE AGREEMENT

On 15 April 2016, Goldin Tianjin also entered into the Second Pledge Agreement with the Second Bank and the Partnership Fund, pursuant to which Goldin Tianjin has agreed to provide a second pledge over the Development in favour of the Second Bank as security for the full repayment of the Investment Company Loan in the amount of RMB6.00 billion extended to the Investment Company and interest accrued thereon. The entering into of the Second Pledge Agreement forms part and parcel of the Disposal, which is conditional upon the obtaining of the Shareholders' Approval.

Principal terms

The Investment Company Loan, once drawn-down by the Investment Company to its account, will be earmarked for the settlement of part of the Consideration to Goldin Tianjin through an escrow arrangement and will only be released from such account by the Second Bank upon consent of both Goldin Tianjin and the Investment Company.

Pursuant to the Second Pledge Agreement, the second pledge over the Development shall be immediately released within three business days upon the full repayment of the Investment Company Loan. The Investment Company Loan shall be repaid by the Investment Company within 36 months after the drawdown thereof or an earlier date which is subject to the written consents of both Goldin Tianjin and the Partnership Fund. The Development will be seized by the Second Bank only when the Investment Company fails to repay the Investment Company Loan within 36 months after the drawdown thereof. The drawdown of the Investment Company Loan is conditional on, among others, the pledge of the Development pursuant to the Second Pledge Agreement which is subject to the obtaining of the Shareholders' Approval. Notwithstanding the aforesaid, the parties to the Second Pledge Agreement agreed to release the second pledge over the Development earlier for the purpose of the transfer of title and ownership of the Properties to the Target Company, which shall be no later than 180 days, or 270 days (including the Rectification Period), after the obtaining of the Shareholders' Approval, being one of the conditions for payment of the second instalment of the Consideration. The parties to the Second Pledge Agreement further agreed that the second pledge over the Development may be substituted under the aforesaid circumstances subject to negotiations in order to provide a temporary security in favour of the Second Bank

prior to completion of registration of the transfer of title and ownership of the Properties to the Target Company and the Sale Shares to the Investment Company. It is agreed that the temporary security will be pledged simultaneously upon the release of the second pledge over the Development, for the purpose of securing the transfer of title and ownership of the Properties to the Target Company, which is one of the conditions for payment of the second instalment of the Consideration. The parties to the Second Pledge Agreement are expected to enter into relevant pledge agreement separately for the provision of such temporary security, if any, prior to the transfer of title and ownership of the Properties to the Target Company, with the terms similar to those of the Second Pledge Agreement, except for the time of release of pledge. Upon the obtaining of legal title of the Properties and completion of the transfer of title and ownership of the Properties to the Target Company and the transfer of the Sale Shares to the Investment Company, the Properties will be pledged for the Investment Company Loan in favour of the Second Bank and the pledge of such temporary security shall be released. It is intended that the value of such temporary security shall not exceed the value of the Development as at 30 September 2015 being approximately HK\$16.8 billion. As at the date of this announcement, the terms and details of such temporary security have yet to be finalised as only a framework arrangement in respect of the temporary security was agreed under the Second Pledge Agreement. The Company will comply with the Listing Rules requirements upon entering into such pledge agreement regarding the temporary security as and when appropriate.

REASONS FOR THE ENTERING INTO OF THE RELEVANT AGREEMENTS

The Entrusted Loan Agreement and the First Pledge Agreement

In consideration of the entering into of the Local SPA, the parties thereto further agreed that the Entrusted Loan will be provided to Goldin Tianjin as an interest-free loan. In order to meet the banking regulation in the PRC, a nominal amount of interest expense, being the interest rate of 2% per annum, will be initially paid by Goldin Tianjin which will then be reimbursed by the Investment Company in accordance with the Interest Reimbursement Agreement. In view of the recent volatile market condition and the interest-free nature of the Entrusted Loan, the Company had not identified better alternative fund raising methods for repayment of loans in relation to the development of the Goldin Metropolitan project and is of the view that the Entrusted Loan would allow the Company to repay the outstanding debts and therefore lower the borrowing cost of the Company.

Given that (i) the terms of the Entrusted Loan Agreement, including the nominal interest rate of the Entrusted Loan, and the terms of the First Pledge Agreement including the reimbursement arrangement were agreed between the parties thereto after arm's length negotiations and having taken into account the banking regulation in the PRC; (ii) it is agreed that the interest will be reimbursed within 1 business day upon the receipt by the Investment Company with the result that Goldin Tianjin in effect shall incur no interest expense with such arrangement under the Interest Reimbursement Agreement; (iii) the first pledge over the Development in favour of the First Bank under the First Pledge Agreement is provided in consideration of the entering into of the Entrusted Loan Agreement; and (iv) in addition to the pledge of the Development for the obtaining of the Entrusted Loan, the Development is also pledged through the entering into of the Second Pledge Agreement as elaborated under the section headed "The Second Pledge Agreement" above, the Directors are of the view that the terms of the Entrusted Loan Agreement and the First Pledge Agreement including the

reimbursement arrangement are fair and reasonable and the entering into of the Entrusted Loan Agreement and the First Pledge Agreement (which form part and parcel of the Disposal) are in the interest of the Company and the Shareholders as a whole.

The Second Pledge Agreement

As stated in the Announcements, it is intended that Goldin Tianjin will pledge the Development to secure, among others, the due performance by the Company and Goldin Tianjin of their obligations under the Framework Disposal Agreement and the transactions contemplated thereunder. Pursuant to the Local SPA, it is one of the conditions precedent to the payment of the first instalment of the Consideration by the Investment Company that Goldin Tianjin shall complete the registration of the pledge over the Development.

During the negotiations between the parties to the Local SPA, given that the legal title of the Properties could be obtained for registration of pledge only when the Real Estate Title Certificate of the Properties could be separated from that of the Development, the Development is considered as an alternative security. Pursuant to the Second Pledge Agreement, if the Investment Company fails to repay the Investment Company Loan within 36 months after the drawdown thereof, the Development will be seized by the Second Bank and the financial and trading prospects of the Group will be adversely affected. Notwithstanding that the Development will be seized by the Second Bank only when the Investment Company fails to repay the Investment Company Loan within 36 months after the drawdown thereof, to minimize the risk of the Development being seized due to the default of the Investment Company, the Company and Goldin Tianjin, after arms' length negotiations with the Parties, agreed that the second pledge over the Development will in any event be released prior to the completion of the transfer of title and ownership of the Properties to the Target Company, which shall be within a maximum of 270 days (including the Rectification Period) after the obtaining of the Shareholders' Approval and therefore shall be released prior to the repayment date of the Investment Company Loan. Therefore, the release of the second pledge over the Development is not subject to the default of the Investment Company. Further, the temporary security which may be required to be provided by Goldin Tianjin to substitute the Development is expected to be released upon the legitimate transfer of the legal title of the Properties to the Target Company and the transfer of the Sale Shares to the Investment Company. The release of the temporary security, if any, is therefore not subject to the default of the Investment Company, instead it is subject to the completion of the transfer of Sale Shares to the Investment Company within 180 days or 270 days (including the Rectification Period) after the obtaining of the Shareholders' Approval.

As at the date of the Local SPA, the Properties were still under construction, with a scheduled date of the Completion of Construction on or before 31 December 2017. While the fair market value of the Properties amounted to approximately HK\$13.3 billion as at 30 September 2015, Goldin Tianjin will receive both first and second instalments of the Consideration amounting to a total sum of approximately RMB15.00 billion (equivalent to approximately HK\$17.99 billion) prior to the Completion of Construction. The Development, which is with a fair market value of approximately HK\$16.8 billion as at 30 September 2015 is therefore pledged through the entering into of the Second Pledge Agreement to secure, among others, the due performance prior to the completion of the Disposal by the Company and Goldin Tianjin of their obligations under the Framework Disposal Agreement and the Local SPA and the transactions contemplated thereunder.

Taking into account that (i) the pledge of the Development pursuant to the Second Pledge Agreement is considered as an alternative security for the Investment Company Loan in favour of the Second Bank and the pledge of the Development will be replaced by the pledge of the Properties under the Investment Company upon the obtaining of its legal title and the completion of transfer of Sale Shares to the Investment Company; (ii) the arrangement that the second pledge over the Development under the Second Pledge Agreement shall be released prior to the completion of the transfer of title and ownership of the Properties to the Target Company could, to a certain extent, minimise any material impact on the Group as a result of possible default risk associated with the Investment Company Loan; (iii) the completion of the Disposal is not conditional on the repayment of the Investment Company Loan; (iv) the pledge of the Development by Goldin Tianjin through the entering into of the Second Pledge Agreement is one of the conditions precedent for settlement of the first instalment of the Consideration and, in view of the fact that the Company will receive the first instalment of the Consideration while the legal title of the Properties is yet to be transferred to the Target Company, is crucial to the smooth execution of the Framework Disposal Agreement and the Local SPA; and (v) the entering into of the Second Pledge Agreement is for the purpose of securing the due performance prior to the completion of the Disposal by the Company and Goldin Tianjin of their obligations under the Framework Disposal Agreement and the Local SPA and the transactions contemplated thereunder, the Directors are of the view that the terms of the Second Pledge Agreement are fair and reasonable and the entering of the Second Pledge Agreement is in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE FIRST BANK, THE SECOND BANK AND THE PARTNERSHIP FUND

Each of the First Bank and the Second Bank is a registered commercial bank in the PRC and is principally engaged in banking and related financial services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the First Bank and the Second Bank and their respective ultimate beneficial owner(s) are Independent Third Parties.

The Partnership Fund is a limited partnership registered in the PRC, which is sponsored by the First Investor being limited partner as to 50% and the Second Investor being limited partner and the Other Investor being general partner as to 50% in aggregate as agreed by the Investors.

GENERAL

A circular containing, among other things, (i) details of the Framework Disposal Agreement, the Local SPA and the transactions contemplated thereunder including the Relevant Agreements; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Framework Disposal Agreement, the Local SPA and the transactions contemplated thereunder including the Relevant Agreements; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report in respect of the Properties; and (v) a notice of the GM is expected to be despatched to the Shareholders on or before 30 April 2016.

DEFINITIONS

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

“Entrusted Loan”	the entrusted loan in the amount of RMB6.00 billion to be provided by the Investment Company through the First Bank to Goldin Tianjin under the Entrusted Loan Agreement
“Entrusted Loan Agreement”	the entrusted loan agreement dated 15 April 2016 entered into by Goldin Tianjin in respect of the Entrusted Loan
“First Bank”	China Everbright Bank Co., Ltd, Beijing Jiao Da Branch
“First Pledge Agreement”	the pledge agreement dated 15 April 2016 entered into between Goldin Tianjin, the Investment Company and the First Bank in relation to the pledge of the Development in favour of the First Bank
“Interest Reimbursement Agreement”	the agreement dated 15 April 2016 entered into between Goldin Tianjin and the Investment Company in relation to the interest reimbursement arrangement of interest payable by Goldin Tianjin under the Entrusted Loan Agreement
“Investment Company Loan”	a loan in the amount of RMB6.00 billion to be provided by the Partnership Fund to the Investment Company through the Second Bank
“Partnership Fund”	深圳市國威股權投資中心(有限合伙)(Shenzhen Guowei Capital Investment Centre L.P.*), a limited partnership registered in the PRC, which is sponsored by the First Investor being limited partner as to 50% and the Second Investor being limited partner and the Other Investor being general partner as to 50% in aggregate as agreed by the Investors
“Relevant Agreements”	collectively the Entrusted Loan Agreement, the First Pledge Agreement and the Second Pledge Agreement
“Second Bank”	Nanyang Commercial Bank China Limited, Beijing Branch

“Second Pledge Agreement” the pledge agreement dated 15 April 2016 entered into between Goldin Tianjin, the Partnership Fund and the Second Bank in relation to the pledge of the Development in favour of the Second Bank

By order of the Board
Goldin Properties Holdings Limited
Pan Sutong
Chairman

Hong Kong, 15 April 2016

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Pan Sutong (Chairman & Chief Executive Officer), Mr. Zhou Xiaojun, Mr. Ting Kwang Yuan, Edmond, Mr. Li Huamao and Ms. Chan Sau Yin, Anita Teresa, and three independent non-executive Directors, being Mr. Lai Chi Kin, Dr. Ng Lai Man, Carmen and Dr. Cheng Kwan Wai.

In this announcement, for illustration purpose only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00: HK\$1.1993. Such exchange rate has been used, where applicable, for illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

* *For illustration purposes*