

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.



GOLD-FINANCE HOLDINGS LIMITED

金誠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1462)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF THE TARGET COMPANY AND ISSUE OF DEBT SECURITIES

ACQUISITION OF THE TARGET COMPANY

Reference is made to the announcement of the Company dated 4 May 2018 in relation to the entering into a memorandum of understanding with the Vendor for a proposed acquisition.

The Board is pleased to announce that on 22 May 2018, the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, 100% of the shares of the Target Company at the consideration of HKD8 million which shall be settled by way of issue of the Notes.

Immediately after the completion of the Acquisition, the Company will own 100% of the shares of the Target Company and will in turn indirectly own the entire equity interests of its PRC Subsidiary, a company incorporated in the PRC with limited liability which principally engages in provision of wealth and asset management services, fund sales and sales of financial products, and the financial results of the Target Group will be consolidated into the financial results of the Group.

The Directors (including all the independent non-executive Directors) believe that the business of the Target Group with its large client base, expertise and experience in the field of wealth and asset management industry would enable the Group to expand and develop its investment and asset management business in the PRC which in turn strengthens its revenue sources and accelerate its growth and developments in the near future.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wei Jie, the controlling Shareholder, executive Director and chairman of the Company, is the Vendor and is interested in 3,000,000,000 Shares, representing 75% of the total issued share capital of the Company, through entities controlled by him. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

In accordance with the Listing Rules, as Mr. Wei Jie wholly-owns the Target Company and is a director of the Target Company, he has abstained from voting at the Board meeting approving the Acquisition. Save as disclosed, none of the Directors has any material interest in the Acquisition.

As the applicable percentage ratios for the Acquisition are less than 25% and the total consideration is less than HKD10 million, by virtue of Rule 14A.76(2)(b) of the Listing Rules, such a transaction is subject to the reporting and announcement requirements only and is exempt from the circular, independent financial advice and shareholders' approval requirements.

As one or more of the applicable percentage ratios in relation to the Acquisition exceed 5% but less than 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules.

As the completion of the Acquisition is subject to the fulfillment of a number of conditions precedent as set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and public investors should exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on 22 May 2018 (after trading hours), the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, 100% of the shares of the Target Company at the consideration of HKD8 million which shall be settled by way of issue of the Notes.

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date: 22 May 2018

Parties: (i) the Company, as purchaser; and
(ii) Mr. Wei Jie, as vendor

As at the date of this announcement, Mr. Wei Jie is interested in 3,000,000,000 Shares, representing 75% of the total issued share capital of the Company, through entities controlled by him and therefore being a controlling Shareholder. He is also an executive Director and the chairman of the Company. As such, he is a connected person of the Company under Chapter 14A of the Listing Rules.

Acquisition target

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to purchase 100% of the shares of the Target Company owned by the Vendor.

Consideration

The consideration for the Acquisition shall be HKD8 million which shall be settled on the Completion Date by the issue of the Notes, details of which are set out in the section headed “Principal Terms of the Notes” below.

The consideration for the Acquisition was determined after arm’s length negotiations between the Company and the Vendor with reference to (i) the preliminary due diligence results by the Company on the business status of the Target Group; (ii) licenses in the field of wealth and asset management held by the Target Group; and (iii) the consolidated net asset of the Target Group of approximately RMB28 million. The Directors (excluding the Director who abstained from voting but including the independent non-executive Directors) consider that the consideration for the Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The consideration for the Acquisition shall be funded through the issue of the Notes.

Conditions precedent

Completion of the Acquisition shall be subject to and conditional upon the following conditions being fulfilled:

- A) Consents and approvals: The Vendor and the Company have obtained all necessary consents, authorisations, and approvals (if any) in connection with the entering into and performance of the terms of the Sale and Purchase Agreement, including all consents, authorisations and approvals of/by the Company, the relevant government or regulatory agencies, any applicable authority, organisation or any other third party;
- B) Warranties: The warranties given by the Vendor under the Sale and Purchase Agreement remain true and accurate in all material respects and that there is no material breach of the said warranties or there are no facts or circumstances that constitute or may constitute a breach of the said warranties or any of the Vendors’ obligations under the Sale and Purchase Agreement;

- C) Due diligence: The results of the due diligence review conducted on the Target Group by the Company are satisfactory to the Company (the Company has the absolute discretion to decide whether it is satisfied with the outcome of such review); and
- D) All loans and other debts (if any) due to the Target Group's shareholders and directors have been fully settled or wholly and unconditionally waived by the shareholders and directors with written documentary evidence provided to the Company to its satisfaction.

The Company may in its sole and absolute discretion waive any of the above conditions in writing save and except condition (A) which shall not be waived.

Completion

The completion of the Acquisition will take place three Business Days after the date of all the conditions precedent to the Sale and Purchase Agreement being satisfied or waived.

Immediately after the completion of the Acquisition, the Company will own 100% of the shares of the Target Company and will in turn indirectly own the entire equity interests of the PRC Subsidiary, a company incorporated in the PRC with limited liability and principally engages in provision of wealth and asset management services, fund sales and sales of financial products, and the financial results of the Target Group will be consolidated into the financial results of the Group.

Principal Terms of the Notes

Pursuant to the Sale and Purchase Agreement, the Company will settle the consideration for the Acquisition by the issue of the Notes, the principal terms of which are summarised as follows:

Principal amount:	HKD8,000,000
Issue date:	Completion Date
Issue price:	100% of the aggregate principal amount of the Notes
Interest:	The Notes will bear an interest from the Completion Date at the interest rate of 3% per annum on the principal amount outstanding from time to time which shall accrue yearly
Interest payment:	The interest shall be payable by the Company yearly with the first payment on the date of one year from the Completion Date
Maturity date:	Five years from the issue date of the Notes

Redemption: The Company shall not be entitled to redeem the Notes prior to the maturity date of the Notes. The holder of the Notes may not redeem the Notes prior to the maturity date of the Notes save and except in the occurrence of an event of default set out below

Events of default: The Notes contain certain events of default as follows:

1. Non-payment: The Company fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within five Business Days of the due date for payment thereof;
2. Breach of other obligations: The Company defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Instrument and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy remains unremedied for 30 days after the holder of the Notes has given written notice thereof to the Company; or
3. Cessation of business: The Company and its Material Subsidiaries cease to carry on all or a material part of business currently carried on by them on the issue date of the Notes

If any of the above events of default occurs, then a holder of the Notes may give written notice to the Company declaring the Notes it holds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality

Rankings: The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application

Listing: No application will be made for a listing of the Notes on any stock exchange

Transferability: None of the Notes or any part thereof may be assigned or transferred except when (i) an event of default has occurred; and (ii) the notice declaring the Notes have become immediately due and payable has been served by the holder of the Notes on the Company. The permitted assignment or transfer of the Notes must be in respect of the whole (but not part only) of the outstanding principal amount of the Notes. Upon such assignment or transfer of the Notes, the Company shall procure execution of all such documents as may be required

INFORMATION OF THE GROUP

The Group is principally engaged in the provision of investment and asset management services, building services and property investment and development with focuses primarily in developing unique towns in the PRC.

INFORMATION OF THE TARGET GROUP

The Target Group is principally engaged in businesses of wealth and asset management, fund sales and sales of financial products. The Target Company is an investment holding company which is wholly-owned by the Vendor. The Target Company indirectly holds 100% equity interest of the PRC Subsidiary, a company incorporated in the PRC with limited liability. The PRC Subsidiary is a wealth and asset management service provider in the PRC with a focus on investment and asset allocation services for high net worth individuals and enterprises. As at the date of this announcement, the PRC Subsidiary is one of the four organisations in Zhejiang province of the PRC which have obtained the fund sales license from the CSRC under the category of independent fund sale agencies. The PRC Subsidiary ranks 12th among all third party wealth management providers which hold such license on sale of public fund products. It was awarded by the CSRC in July 2013 the certificate on qualifications for engagement in the sale of funds in the PRC and registered under the AMAC in April 2014 as a private equity fund manager. The cumulative number of registered clients of the PRC Subsidiary for the year ended 31 December 2017 was 18,336. The number of active clients of the PRC Subsidiary who purchased wealth and asset management products distributed by the PRC Subsidiary for the year ended 31 December 2017 was 3,572. Up to the date of this announcement, the PRC Subsidiary has established seven branches covering Zhejiang province, Jiangsu province, Shandong province, Fujian province, Guangdong province and Hunan province in the PRC. Its extensive and targeted business network covers operations in the provinces of the PRC which are known for economic prosperity and competitiveness and these areas are concentrated with high net worth individuals and enterprises. As at 31 March 2018, it maintained a team of 682 financial planners, relationship managers and executives. As at 30 April 2018, the PRC Subsidiary had established connections with 47 fund companies and distributed 1,870 public fund products. For each of the three years ended 31 December 2015, 2016 and 2017, it distributed approximately RMB8.6 billion, RMB9.3 billion and RMB14.4 billion worth of wealth and asset management products

respectively, representing an average annual growth rate of more than approximately 30%. The aggregate target value of wealth and asset management products distributed by the PRC Subsidiary for the year ended 31 December 2018 is expected to be approximately RMB20 billion, representing a target growth of approximately 40% as compare to that for the year ended 31 December 2017.

According to the financial statements prepared by the Target Group, the consolidated net loss before tax of the Target Group for the years ended 31 March 2017 and 2018 were approximately RMB66 million and RMB119 million, respectively. The consolidated net loss after tax of the Target Group for the years ended 31 March 2017 and 2018 were approximately RMB68 million and RMB119 million. The consolidated net asset of the Target Group as at 31 March 2018 was approximately RMB28 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has expanded its business portfolio into the area of investment and asset management services with focuses on the infrastructure and integrated urban development projects. There are 29 private equity funds (the “**Funds**”) under the management of the Group as at 31 March 2018. As at 31 March 2018, the total asset under management of the Funds amounted to approximately RMB10.6 billion and the aggregate target fund size of the Funds is expected to be approximately RMB23.2 billion. The Directors anticipate that there would be a high year by year growth of the Group’s business in the area of investment and asset management after considering the favourable policies of the PRC government in support of the infrastructure and urban development projects and the historical growth rate of private equity funds in 2017 published by the AMAC.

In light of the above and having considered that (i) the PRC Subsidiary holds the fund sales license issued by the CSRC in relation to the sales and marketing of third party funds; and (ii) the PRC Subsidiary possesses a large and strong sales team and has established connections with and access to sophisticated investors in the PRC, the Directors consider that the Acquisition could highly enhance the capabilities of the Group’s fund sales team and increase the revenue of the Group from the management fees which rely on the subscription amounts and sales performance of the Funds. By leveraging on the PRC Subsidiary’s expertise and connections as well as its ability to sell the Group’s current Funds together with other third party funds, the Directors are of the view that it could enhance the Company’s profitability and achieve a better return for the Shareholders.

According to the report delivered by Mr. Xi Jinping, the President of the PRC, at the 19th National Congress of the Communist Party of China, the PRC will deepen the institutional reform in the PRC’s financial sector to make it better serve the real economy which is a long-term task and national development strategy in the PRC (the “**National Strategy**”). The Group is in line with the National Strategy to act as an important financing source to further and better serve the real economy with focuses mainly on infrastructure and integrated urban development projects. The Group considers that the

Acquisition could enhance the fund raising ability of the Funds and generate synergies among sales, management and operation sections of the Group's investment and asset management business.

In view of the above, the Directors (excluding the Director who abstained from voting but including the independent non-executive Directors) considered that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is on normal commercial terms or better and in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wei Jie, the controlling Shareholder, executive Director and chairman of the Company, is the Vendor and is interested in 3,000,000,000 shares, representing 75% of the total issued share capital of the Company, through entities controlled by him. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

In accordance with the Listing Rules, as Mr. Wei Jie wholly-owns the Target Company and is a director of the Target Company, he has abstained from voting at the Board meeting approving the Acquisition. Save as disclosed, none of the Directors has any material interest in the Acquisition.

As the applicable percentage ratios for the Acquisition are less than 25% and the total consideration is less than HKD10 million, by virtue of Rule 14A.76(2)(b) of the Listing Rules, such a transaction is subject to the reporting and announcement requirements only and is exempt from the circular, independent financial advice and shareholders' approval requirements.

As one or more of the applicable percentage ratios in relation to the Acquisition exceed 5% but less than 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules.

As the completion of the Acquisition is subject to the fulfillment of a number of conditions precedent as set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and public investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition” the acquisition of 100% shares in the Target Company pursuant to the Sale and Purchase Agreement by the Company

“AMAC”	the Asset Management Association of China (中國證券投資基金業協會)
“Board”	the board of directors of the Company
“Business Day(s)”	any day(s) (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“Company”	Gold-Finance Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the date of completion of the Acquisition as per the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	the instrument constituting the Notes to be executed by the Company on the Completion Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Material
Subsidiary”

any subsidiary of the Company;

- (i) whose net profit (consolidated in the case of a subsidiary which itself has consolidated subsidiaries), whose gross revenue (consolidated in the case of a subsidiary which itself has consolidated subsidiaries) or whose gross assets (consolidated in the case of a subsidiary which itself has consolidated subsidiaries) represent not less than 10% of the consolidated net profit, consolidated gross revenue, or, as the case may be, the consolidated gross assets of the Group taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the subsidiary and the then latest audited or reviewed consolidated financial statements of the Company, provided that:
 - (a) in the case of a subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Company relate, the reference to the Company’s latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Company; and
 - (b) if at any relevant time in relation to the Company or any subsidiary no financial statements are prepared and audited, its gross revenue and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared; and if the financial statements of any subsidiary (not being a subsidiary referred to in (a) above) are not consolidated with those of the Company, then the determination of whether or not such subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Company; or

(ii) to which is transferred all or substantially all of the business, undertaking and assets of another subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon: (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary; and (b) the transferee subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor subsidiary or such transferee subsidiary is or is not a Material Subsidiary shall be determined pursuant to (a) above

“Notes”	the fixed coupon note of a principal amount of HKD8,000,000 at the interest rate of 3% per annum to be issued by the Company to the Vendor pursuant to the Sale and Purchase Agreement
“PRC”	the People’s Republic of China
“PRC Subsidiary”	浙江金觀誠基金銷售有限公司 (Zhejiang Jin Guan Cheng Fund Sales Company Limited*), a company incorporated in the PRC with limited liability and is indirect wholly-owned by the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 May 2018 entered into between the Company and the Vendor in relation to the Acquisition
“Share(s)”	ordinary share(s) of HKD0.001 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Gold-Finance (New Holdings) Co., Limited (金誠財富(新控股)集團有限公司), an investment holding company incorporated in the Cayman Islands with limited liability, and is wholly-owned by the Vendor
“Target Group”	the Target Company and its subsidiaries, including the PRC Subsidiary

“Vendor”

Mr. Wei Jie, the controlling Shareholder, an executive Director
and the chairman of the Company

By Order of the Board
Gold-Finance Holdings Limited
WEI Jie
Chairman and Chief Executive Officer

Hong Kong, 22 May 2018

At the date of this announcement, the Board comprises Mr. Wei Jie, Ms. Xu Li Yun and Mr. Wong Kam Ting as executive Directors; and Mr. Niu Zhongjie, Mr. Cheung Ying Kwan and Mr. Chen Zhao as independent non-executive Directors.

* *For identification purpose only*