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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)

INSIDE INFORMATION AND RESUMPTION OF TRADING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Goldin Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board wishes to inform the shareholders of the Company that on 13 July 2020, the Company and certain direct and indirect subsidiaries received several notifications respectively concerning certain indebtedness owed by Smart Edge Limited (“**Smart Edge**”) (an indirect wholly-owned subsidiary of the Company), Cheng Mei Holdings Limited (“**Cheng Mei**”) and Goal Eagle Limited (“**Goal Eagle**”) (both are direct wholly-owned subsidiaries of the Company). The indebtedness owed by Smart Edge is referred to as “**Smart Edge Indebtedness**” and those owed by Cheng Mei and Goal Eagle are referred to as “**Cheng Mei and Goal Eagle Indebtedness**” hereinafter and are more particularly described below.

The Smart Edge Indebtedness

On 9 April 2019, Smart Edge issued floating rate senior secured notes in the principal amount of HK\$6,800 million (the “**Notes**”) to certain independent noteholders. As part of the related security documents relating to the Notes, a trust deed dated 9 April 2019 (as amended pursuant to amendment deeds dated 24 October 2019 and 29 April 2020) was entered into between, among others, Smart Edge and DB Trustees (Hong Kong) Limited (the “**Security Trustee**”).

On 13 July 2020, Smart Edge received a letter from Borrelli Walsh Limited dated the same date (the “**Smart Edge Letter**”) informing Smart Edge:

- (a) the purported appointment by the Security Trustee of Cosimo Borrelli and Ma Siu Ming Simon (collectively, the “**Purported Receivers**”) as joint and several receivers and managers (the “**Purported Receivership**”) over the security assets provided under the Notes. The material assets subject to the Purported Receivership include, *inter alia*:
- (i) 600,000 issued ordinary shares and 400,000 issued ordinary shares of Smart Edge (collectively, the “**Charged Shares**”) which are registered under the names of Cheng Mei and Goal Eagle, respectively, pursuant to a security agreement over shares entered into among Cheng Mei, Goal Eagle and the Security Trustee dated 10 April 2019. As at the date of this announcement, the Charged Shares represent 100% of the total issued share capital of Smart Edge;
 - (ii) all assets and undertaking of Smart Edge (including its direct ownership in the piece of land parcel known as New Kowloon Inland Lot No. 6314, and of and in the messuages, erections and buildings constructed thereon, situated at 17 Kai Cheung Road, Kowloon Bay (the “**Office Property**”), pursuant to a security agreement entered into between Smart Edge and the Security Trustee dated 10 April 2019. The Office Property is also known as “Goldin Financial Global Centre”; and
 - (iii) all financial indebtedness due or owing by Smart Edge to each of the Company, Cheng Mei, Goal Eagle and Matsunichi Goldbase Limited (“**Matsunichi**”, an indirect wholly-owned subsidiary of the Company) (collectively, the “**Assignors**”), pursuant to a security agreement over intercompany loans entered into between the Assignors and the Security Trustee dated 10 April 2019; and
- (b) the purported appointment by the Purported Receivers on 13 July 2020 of the Purported Receivers and Chi Lai Man Jocelyn (together, the “**Purported New Directors**”) as directors of Smart Edge in place of all existing directors (the “**Lawfully Appointed Directors**”).

The Cheng Mei and Goal Eagle Indebtedness

On 29 March 2019, Cheng Mei and Goal Eagle (as borrowers) obtained a dual tranche term loan facility in the principal amounts of approximately HK\$1,494.9 million and US\$243 million (equivalent to approximately HK\$1,895.4 million) (together, the “**Loan**”) from certain independent financial institutions, with Deutsche Bank AG, Hong Kong Branch as agent (the “**Agent**”) and the Security Trustee as the security agent in respect of the Loan. The Company is the corporate guarantor to the Loan.

On 13 July 2020, Cheng Mei and Goal Eagle received a letter from the Agent and the Company received a letter from the Security Trustee (collectively, the “**Demand Letters**”) demanding immediate payment of the principal of the Loan with accrued interest in the total sum of approximately HK\$1,541.7 million and US\$250.7 million (equivalent to approximately HK\$1,955.5 million).

Impugned forms

Separately, the Company notes that it, Smart Edge and Matsunichi were each filed with a notice of appointment of receiver or manager (Form NM5) on the Companies Registry on 13 July 2020, and that Smart Edge was further filed with a notice of change of company secretary and director (appointment/cessation) (Form ND2A) and a notice of change of address of registered office (Form NR1) on the Companies Registry on 13 July 2020 (together, the “**Impugned Forms**”). The Impugned Forms were submitted to the Companies Registry without the authority of the Company, Smart Edge or Matsunichi respectively. The registration of the Impugned Forms is still pending.

Actions being taken by the Company

The Board wishes to inform shareholders that the Company, together with Smart Edge, Cheng Mei and Goal Eagle, have been in active discussions with the Security Trustee and the Agent on the repayment proposal for the Notes and the Loan since March 2020. To this end, the Group has been in the process of arranging for the refinancing of the Notes and the Loan by, amongst others, (i) a new facility in the vicinity of HK\$8.7 billion; and (ii) disposal of its piece of land parcel known as New Kowloon Inland Lot No. 6591 situated at Kai Tak Area 4B Site 4, Kai Tak, Kowloon. The continuous efforts being undertaken by the Group is for the purpose of discharging the Smart Edge Indebtedness and the Cheng Mei and Goal Eagle Indebtedness in full.

The Group holds the Office Property for investment and rental purposes. As at 31 December 2019, the carrying value of the Office Property in the unaudited consolidated financial statements of the Group amounted to approximately HK\$18.3 billion. It is believed that the prevailing market value of the Office Property would be in the range of about HK\$15 billion to HK\$16.5 billion based on preliminary valuation as indicated by three independent professional valuers, which is considered to be reflective of the expected decline in rental in the short term as a result of the adversity caused by the COVID-19 pandemic. Notwithstanding this, the Board has been, and is still, confident of obtaining refinancing of the Notes and the Loan within a short period of time, taking into account that the prevailing market value of the Office Property represents a comfortable margin over the total outstanding principal amount plus accrued interest thereon owed under the Notes and the Loan. The Board has been proactively communicating the aforesaid refinancing plan with the Security Trustee and the Agent.

The Company and the relevant subsidiaries mentioned herein will contest vigorously against the purported board replacement in Smart Edge, the Purported Receivership and the Impugned Forms. In this regard, the Company, Matsunichi and the Lawfully Appointed Directors have commenced legal proceedings in the High Court of Hong Kong on 14 July 2020 seeking orders, *inter alia*, (i) to declare the purported board replacement in Smart Edge, the Purported Receivership and the Impugned Forms as null and void; (ii) restrain the Purported Receivers from representing themselves as receivers; (iii) restrain the Purported New Directors from representing themselves as directors of Smart Edge; and (iv) remove the Impugned Forms from the Companies Register. The Company is also seeking legal advice on any other necessary actions to take in order to defend the interests of the Company and its shareholders and to preserve the value of the assets of the Group, hence their value to the shareholders of the Company. The Company will issue further announcement(s) to provide updates on the above matters as and when required pursuant to the SFO and the Listing Rules.

Information of the Group

The Group is principally engaged in property development and investment, winery and wine related business, provision of factoring services, and financial investments. Save for the matters disclosed in this announcement, the operations of the Group are being carried out as normal.

Resumption of trading

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 14 July 2020 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares on the Stock Exchange with effect from 9:00 a.m. on 16 July 2020.

Shareholders and potential investors of the Company should be aware that the outcome of the matters disclosed in this announcement is not certain at this stage. Shareholders and/or potential investors of the Company are advised to exercise caution in dealing in the shares of the Company.

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, 15 July 2020

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

Amounts denominated in US\$ are translated to HK\$ at the rate of US\$1 = HK\$7.8 in this announcement for illustration purposes. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at that rate or at any other rate or at all.

** for identification purposes only*