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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)

**(I) CLARIFICATIONS REGARDING CERTAIN MEDIA REPORTS;
(II) MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY
INTEREST IN THE DISPOSAL COMPANY AND
THE SHAREHOLDER'S LOAN;
AND
(III) RESUMPTION OF TRADING**

(I) CLARIFICATIONS REGARDING CERTAIN MEDIA REPORTS

It has come to the attention of the Board that recently there have been certain media reports on the indebtedness of the Group stating, among others, that the Group has reached a financing plan in which the Group will be able to raise approximately HK\$8.7 billion with aid from CK Asset Holdings Limited, a company listed on the Main Board of the Stock Exchange.

The Board hereby announces that as at the date of this announcement, save for the above-mentioned financing plan, the Company is not aware of any related information regarding the media reports, and does not have any information that should be disclosed but has not been disclosed.

The Company reminds investors to only refer to the announcements published or to be published by the Company officially for any information relating to the Company. Investors are advised to make rational investments and be reminded of the risks involved. The Company is grateful for investors' continuous care and concern about the Company.

(II) THE DISPOSAL

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, pursuant to which the Purchaser 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. 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.

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 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.

So far as the Company is aware after making reasonable enquiries, 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. 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 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 date of this announcement, will be obtained in respect of the Disposal. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

A circular containing, among other things, (i) further details of the Disposal; and (ii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or around 25 September 2020.

Completion of the Term Sheet is subject to the fulfilment or waiver (as the case may be) of the conditions precedent thereto, and accordingly may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(III) RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 3 September 2020, pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:00 p.m. on 4 September 2020.

(I) CLARIFICATIONS REGARDING CERTAIN MEDIA REPORTS

It has come to the attention of the Board that recently there have been certain media reports on the indebtedness of the Group stating, among others, that the Group has reached a financing plan in which the Group will be able to raise approximately HK\$8.7 billion with aid from CK Asset Holdings Limited, a company listed on the Main Board of the Stock Exchange.

The Board hereby announces that as at the date of this announcement, save for the above-mentioned financing plan, the Company is not aware of any related information regarding the media reports, and does not have any information that should be disclosed but has not been disclosed.

The Company reminds investors to only refer to the announcements published or to be published by the Company officially for any information relating to the Company. Investors are advised to make rational investments and be reminded of the risks involved. The Company is grateful for investors' continuous care and concern about the Company.

(II) THE DISPOSAL

THE TERM SHEET

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, pursuant to which the Purchaser 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.

Set out below are the principal terms of the Term Sheet.

Date: 2 September 2020

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 the 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 (“**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 60th calendar days from the date of the Term Sheet; and
- (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.

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 60th calendar days from the date of execution of the Term Sheet by the Vendor and the Purchaser;
- (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 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
- (iv) other conditions to be further agreed under the Formal Agreement, which may or may not be entered, please refer section headed “Formal Agreement” above for further details.

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 days 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 announcement.

Termination

Should the Completion fails 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 fails 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.

INFORMATION OF THE DISPOSAL GROUP

As at the date of this announcement, 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 30 June 2020 are set out below:

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

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 Directors' knowledge, information and belief, the Purchaser is a company principally engaged in investment holding business.

As at the date of this announcement, the Vendor is 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 repayment of indebtedness and general working capital.

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.

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.

In view of the unsatisfactory financial performance of the Disposal Group, being the net loss of approximately HK\$9.19 million for the year ended 30 June 2020, and having regard to the prevailing market conditions, 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 have been made on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 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.

So far as the Company is aware after making reasonable enquiries, 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. 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 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 date of this announcement, will be obtained in respect of the Disposal. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

GENERAL

A circular containing, among other things, (i) further details of the Disposal; and (ii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or around 25 September 2020.

(III) RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 3 September 2020, pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:00 p.m. on 4 September 2020.

DEFINITIONS

In this announcement, 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 date of this announcement
“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 date of this announcement
“Disposal Group”	the Disposal Company and its subsidiary(ies)
“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 People’s Republic of China
“Independent Third Party(ies)”	third party(ies) which is/are independent of the Company and its connected person(s)
“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 date of this announcement
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Purchaser”	Power Alpha Global Limited, being the purchaser to the Term Sheet
“Sale Shares”	representing the entire issued share capital of the Disposal Company

“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
“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
“Vendor”	Goldin Factoring Holdings Limited, a direct wholly-owned subsidiary of the Company as at the date of this announcement, being the vendor to the Term Sheet
“%”	per cent.

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, 4 September 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; Mr. Ma Lai Chee, Gerald (Vice Chairman) as the non-executive Director; 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.

* *for identification purposes only*